

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional advisor.

If you have sold or otherwise transferred all your Shares, please send this Circular at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any Restricted Jurisdiction. Investors who wish to participate in the Tender Offer must hold Shares at the latest by 6.00 p.m. on 5 October 2021.

Canaccord Genuity Limited, which is authorised and regulated by the Financial Conduct Authority, is acting exclusively for the Company and for no one else in connection with the Non-US Tender Offer and Canaccord, its affiliates and its and their respective directors, officers, employees and agents are not, and will not, be responsible to anyone other than the Company for providing the protections afforded to customers of Canaccord nor for providing advice in relation to the Non-US Tender Offer. For the avoidance of doubt, none of Canaccord, its affiliates and its and their respective directors, officers, employees and agents will be responsible for, or liable in relation to, the US Tender Offer, or any other transaction, arrangement or other matter referred to in the Circular, other than the Non-US Tender Offer.

Apart from the responsibility and liabilities, if any, which may be imposed on Canaccord by the Financial Services and Markets Act 2000 (as amended), the Financial Services Act 2012, or the regulatory regimes established thereunder, Canaccord does not accept any responsibility or liability whatsoever nor makes any representation or warranty, express or implied, concerning the contents of this Circular, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Non-US Tender Offer or this Circular. Each of Canaccord, its affiliates and their respective directors, officers, employees and agents accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Circular or any such statement.

None of the Company, its Directors, officers, employees or advisers or their respective affiliates makes any recommendation to any Shareholder whether to tender or refrain from tendering any or all Shares in the Tender Offer and none of them has authorised any person to make any such recommendation. Shareholders are urged to evaluate carefully all information in this Circular and the Tender Form, consult their own investment and tax advisers and make their own decisions as to whether to tender Shares, and, if so, the number of Shares to tender. The Company, its Directors, officers, employees and advisers and their respective affiliates are not responsible for and make no representation as to the validity, accuracy or adequacy of the Tender Price.

ZEGONA COMMUNICATIONS PLC

(incorporated and registered in England and Wales under number 09395163)

Proposed return of up to £329.3¹ million of cash to Shareholders by way of Tender Offer at a price of £1.535 per Share

and

Notice of General Meeting

Notice of a General Meeting of the Company to be held at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL at 11.00 a.m. on 6 September 2021 is set out at the end of this Circular. Whether or not you propose to attend the General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed green form.

Given the unprecedented circumstances due to the COVID pandemic, the Board has decided to put in place contingency arrangements that mean the General Meeting will not follow the usual format. Only the formal business (consisting of voting on the Resolution proposed in the Notice of General Meeting) to meet the minimum legal requirements will be conducted and the General Meeting will proceed as set out below:

- (a) the General Meeting will be at 10 Snow Hill, London, EC1A 2AL or, if those offices are closed, immediately outside those offices;
- (b) the Chairman of the Board and another member of the executive management team who holds shares in the Company (or a proxy representing such person) will attend the General Meeting to ensure that the General Meeting is quorate;
- (c) no other Directors will be present in person;
- (d) there will be no presentation at the General Meeting;

¹ £329,306,778

- (e) as would normally be the case, the votes on the resolution to be proposed at the General Meeting will be conducted on a show of hands and the chairman of the meeting will vote on a show of hands in accordance with the proxies held; and
- (f) the results of the proxy votes will be published immediately following the conclusion of the General Meeting by way of a stock exchange announcement and on the Company's website.

The Board considers that proceeding with a "technical" General Meeting which minimises the risk of transmission of Covid-19 is in the best interests not only of the Company, but also of each of its individual Shareholders. By allowing the voting to proceed in accordance with instructions received by proxy, the Company can ensure it can comply with its legal requirements, while ensuring that no one will have to travel unnecessarily to attend the General Meeting.

The Company will continue to monitor the situation over the coming weeks and, if any changes to these arrangements are deemed necessary, will notify Shareholders of any changes to the proposed format for the General Meeting via its website as soon as possible.

Shareholders will be able to speak at and listen to the General Meeting via an audio dial-in facility. Details will be made available on the Company's website (<http://www.zegona.com>).

To be valid, the Form of Proxy must be received by the Company's registrars at Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, by no later than 11.00 a.m. on 2 September 2021, together with any power of attorney under which it is executed. Completion and return of a form of proxy will not preclude you from attending and voting in person at the General Meeting, should you so wish.

IF YOU DO NOT WISH TO SELL ANY OF YOUR SHARES IN THE TENDER OFFER, DO NOT COMPLETE AND RETURN THE TENDER FORM OR SUBMIT A TTE INSTRUCTION. THE DIRECTORS WHO HOLD SHARES INTEND TO TENDER SHARES IN THE TENDER OFFER.

The availability of the Tender Offer to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Persons who are not resident in the United Kingdom should read the section headed "Overseas Shareholders" set out in paragraph 3 of Part I of this Circular and paragraph 6 of Section A of Part IV of this Circular.

This Circular does not constitute an offer to purchase, or solicitation of an offer to sell, Shares in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws.

Accordingly, unless otherwise determined by Canaccord and the Company and permitted by applicable law and regulation, the accompanying Tender Form is not being, nor may it be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed, or sent in, into or from any Restricted Jurisdiction, and persons receiving the Tender Form (including, without limitation, trustees, nominees or custodians) must not mail or otherwise forward, distribute or send it in, into or from such Restricted Jurisdiction, as to do so may invalidate any purported acceptance of the Tender Offer. Any person (including, without limitation, trustees, nominees or custodians) who would or otherwise intends to, or who may have a contractual or legal obligation to, forward the accompanying Tender Form to any jurisdiction outside the United Kingdom, should seek appropriate advice before taking any action.

The delivery of this Circular shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof, or that there has been no change in the information set forth herein or in the affairs of the Company since the date hereof. No dealer, salesperson or other person is authorised to give any information or to make any representations with respect to the Tender Offer other than such information or representations contained herein and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or Canaccord.

Your attention is drawn to the sections headed "Action to be taken" on page 6, and "Part II Risk Factors" on page 21, of this Circular.

This Circular is dated 13 August 2021.

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IMPORTANT INFORMATION

NOTICE TO US SHAREHOLDERS

The US Tender Offer is made solely by the Company. While the US Tender Offer is being made available to US Shareholders, the right to tender Shares is not being made available in any jurisdiction in the United States in which the making of the US Tender Offer or the right to tender Shares would not be in compliance with the laws of such jurisdictions.

The US Tender Offer is being made for the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. The settlement procedure with respect to the US Tender Offer will be consistent with UK practice, which differs from US domestic tender offer procedures in certain material respects, particularly with regard to date of payment. US Shareholders should note that the Shares are not listed on a US securities exchange and the Company is not subject to the periodic reporting requirements of the Exchange Act and is not required to, and does not, file any reports with the US Securities and Exchange Commission thereunder. The US Tender Offer is not subject to the disclosure and other procedural requirements of Regulation 14D under the Exchange Act. The US Tender Offer will be made in accordance with the requirements of Regulation 14E under the US Exchange Act to the extent applicable. Accordingly, the US Tender Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

The Company has not been, and will not be, registered in the United States as an investment company under the Investment Company Act. In order to avoid being required to register under, or otherwise violating, the Investment Company Act, the Company has implemented restrictions on the ownership and transfer of its Shares. As such, the US Tender Offer will be made solely to US Shareholders that are both QIBs and QPs, and any US Shareholder that was not both a QIB and a QP at the time it acquired any Shares or any such beneficial interest therein should notify the Company immediately.

The receipt of cash pursuant to the US Tender Offer by a US Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the US Tender Offer.

It may be difficult for US Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since the Company is located in a foreign country, and all of its officers and directors are residents of a foreign country. US Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgement. Whether located in the US or elsewhere, US Shareholders will receive their cash consideration in pounds sterling.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the Exchange Act, the Company or its nominees, or its brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shares outside the United States, other than pursuant to the US Tender Offer, before or during the period in which the US Tender Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will only be disclosed as required in the UK, will be reported to a Regulatory Information Service of the UK Listing Authority and will be available on the London Stock Exchange website, www.londonstockexchange.com.

FORWARD LOOKING STATEMENTS

This Circular includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "envisages", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation: the equity market conditions for the Company; changing business or other market conditions; and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this Circular.

Forward-looking statements contained in this Circular based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company is not obliged, and does not intend, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by any applicable law or regulation. Accordingly, Shareholders should not place undue reliance on forward- looking statements, which speak only as of the date of this Circular.

ACTION TO BE TAKEN

You are not under any obligation to tender your Shares but to the extent that you do wish to participate in the Tender Offer, you may tender as many Shares that you hold on the Record Date as you wish. If the Tender Offer completes, you will be guaranteed to be able to tender your Basic Tender Offer Entitlement of Shares, being 0.979732513 per cent. of your Shares on the Record Date (rounded down to the nearest whole number of Shares). Shares tendered in excess of your Basic Tender Offer Entitlement may be acquired through the Tender Offer to the extent that other Shareholders do not tender any of their Shares or tender less than their Basic Tender Offer Entitlement. Each portion of any individual tenders in excess of the Basic Tender Offer Entitlement will be satisfied *pro rata* in proportion to the aggregate tender excess over the Basic Tender Offer Entitlement validly tendered by Shareholders, rounded down to the nearest whole number of Shares.

Enclosed with this document are a green Form of Proxy and either a blue Non-US Tender Form or a pink US Tender Form. If you do not wish to tender any of your Shares, do not complete and return any Tender Form.

Whether or not you wish to tender your Shares under the Tender Offer, you are requested to complete and return your Form of Proxy in accordance with the instructions therein so as to be received as soon as possible and, in any event, not later than the times and dates specified on page 7 of this Circular.

Full details of the actions to be taken are set out in this Circular and in the instructions on the respective forms. You should read the whole of this Circular which contains the terms of the Tender Offer. The attention of Overseas Shareholders is drawn to the sections headed "Overseas Shareholders" in paragraph 3 of Part I of this Circular and in paragraph 6 of Section A of Part IV of this Circular.

Shareholder Helpline

If you have any queries in relation to your shareholding(s) or how you can participate in the Tender Offer, please call Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Please note that, for legal reasons, the Shareholder helpline is only able to provide information contained in this Circular, information relating to the Company's register of members and information regarding completion of forms and is unable to give advice on the merits of the Tender Offer or to provide legal, financial, tax or investment advice.

If you are in any doubt about what action to take you should seek your own personal financial advice from your independent financial adviser, stockbroker, solicitor, accountant, bank manager or from an appropriately qualified independent adviser authorised pursuant to the Financial Services and Markets Act 2000.

EXPECTED TIMETABLE OF EVENTS

All dates 2021

Publication of this Circular	13 August
Tender Offer opens	13 August
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 2 September
Time and date of General Meeting	11.00 a.m. on 6 September
Outcome of General Meeting announced by	6 September
Publication of interim results	on or before 30 September
Latest time and date for receipt of Tender Forms and TTE Instructions from CREST Shareholders (i.e. close of Tender Offer)	1.00 p.m. on 5 October
Record date for the Tender Offer	6.00 p.m. on 5 October
Outcome of Tender Offer announced by	6 October
Purchase of Shares under the Tender Offer	7 October
Cheques despatched for certificated Shares purchased pursuant to the Tender Offer, payment through CREST for uncertificated Shares purchased pursuant to the Tender Offer, despatch of balance share certificates for unsold certificated Shares and CREST accounts credited with uncertificated Shares being returned to Shareholders	By 14 October

Notes:

1. References to times in this Circular are to London times.
2. Each of the above times and dates is based on the Company's expectations as at the date of this Circular. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.
3. All events relating to the Tender Offer in the above timetable following the General Meeting are conditional upon approval by Shareholders of the Resolution to be proposed at the General Meeting.

DEFINITIONS

The following definitions apply throughout this Circular and the accompanying Tender Form unless the context otherwise requires:

“Act”	the Companies Act 2006, as amended;
“Articles”	the articles of association of the Company;
“Basic Tender Offer Entitlement”	in relation to each Qualifying Shareholder, the number representing 97.9732513 per cent. of the aggregate number of Shares registered in the Register in his or its name on the Record Date, rounded down to the nearest whole number of Shares;
“Board”	the board of directors of the Company as constituted from time to time;
“Business Day”	any day other than a Saturday, Sunday or bank holiday in England;
“Calculation Date”	the last date on which the Management Shares were Exercised or the right to Exercise Management Shares lapsed in relation to the relevant Measurement Period;
“Calculation Period”	the period of up to 5 years from the last Calculation Date which ends on the next Calculation Date or Measurement Date;
“Canaccord”	Canaccord Genuity Limited;
“Capital Reduction”	the reduction in the Company’s share capital as described in the circular to Shareholders dated 28 July 2021;
“certificated” or “in certificated form”	a Share which is not in uncertificated form;
“Circular”	this document, including the notice of General Meeting and the Tender Form;
“Company” or “Zegona”	Zegona Communications plc;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Manual”	the CREST manual published by Euroclear;
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
“CREST Regulations”	Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Directors”	the directors of the Company as at the date of this Circular;
“Engagement Letter”	the engagement letter from Canaccord to the Company dated 13 August 2021;
“Escrow Agent”	HSBC Bank plc;
“Escrow Agreement”	the escrow agreement to be entered into on or prior to 7 September 2021 between the Company, Canaccord and the Escrow Agent;
“Escrow Amount”	the maximum amount required to be paid by the Company: (a) to Canaccord in order to effect the Repurchase of Shares following the Non-US Tender Offer; and (b) to US Shareholders in order to effect the US Tender Offer;
“Euroclear”	Euroclear UK & Ireland Limited;
“Euskaltel”	Euskaltel, S.A.;

“Euskaltel Shares”	the ordinary shares in the capital of Euskaltel, having a nominal value of €3.00 each;
“Exchange Act”	the United States Securities Exchange Act of 1934, as amended;
“Exercise”	the process by which value is realised on Management Shares by a fixed proportion of them being redeemed, converted, or exchanged or acquired by the Company, and “Exercised” shall be construed accordingly;
“FCA”	the Financial Conduct Authority;
“Form of Proxy”	the green form of proxy enclosed with this Circular and relating to the notice of General Meeting;
“General Meeting”	the general meeting of the Company to be held at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL at 11.00 a.m. on 6 September 2021, or any adjournment thereof;
“Group”	the Company and its subsidiary undertakings (as defined in section 1162 of the Act);
“Growth in Value”	the Company’s growth during the period from the previous Calculation Date up to and including the relevant Measurement Date, calculated by deducting the Shareholders’ Invested Capital from the sum of the Company’s Market Capitalisation at the relevant Measurement Date and Shareholder Returns for the relevant period;
“Invested Capital”	the Market Capitalisation of the Company on the previous Calculation Date (or, if higher, the Net Shareholder Invested Capital on that date); plus any Parent Subscription Proceeds from the previous Calculation Date to the next Measurement Date;
“Investment Company Act”	the United States Investment Company Act of 1940, as amended;
“Irrevocable Undertakings”	the irrevocable undertakings expected to be granted by each of the Directors and employees of the Group who hold Shares in favour of the Company (further details of which are set out in paragraph 3 of Part VI of this Circular);
“IRS”	the Internal Revenue Service of the United States federal government;
“ISA”	an individual savings account;
“Link Group”	a trading name of Link Market Services Limited;
“Listing Rules”	the listing rules made by the FCA under Part VI of the Financial Services and Markets Act 2000, as amended from time to time;
“Management” or “Managers”	the holders of the Management Shares from time to time, being at the date of this Circular, Eamonn O’Hare, Robert Samuelson, Howard Kalika and Menno Kremer;
“Management Incentive Scheme”	the management incentive scheme in which the Managers participate through their holdings of Management Shares, as more particularly described in the Company’s Annual Report for the year ended 31 December 2020 and in Zegona Limited’s Articles of Association;
“Management Shares”	A ordinary shares of 0.00001p each in the capital of Zegona Limited;
“MAR”	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
“Market Capitalisation”	(i) on any date, the volume weighted average mid-market price of the Shares for the previous 30 trading days multiplied by the number of Shares in issue on such date or (ii) following a takeover, the takeover consideration multiplied by the number of Shares in issue on the takeover or (iii) if Zegona Limited is wound up, the cash sum which remains to be distributed after all of Zegona Limited’s liabilities

(excluding any amounts due to Shareholders and pursuant to the Management Incentive Scheme) have been paid and its assets have been realised; or (iv) in respect of a sale of all or substantially all of the business and assets of the Company, the total consideration received for such business or assets, after all of Zegona Limited's other liabilities have been paid (excluding any amounts due to the Company's Shareholders and pursuant to the Management Incentive Scheme);

"MásMóvil"	MásMóvil Ibercom, S.A.U.;
"MásMóvil Offer"	the acquisition of Euskaltel, S.A. by a subsidiary of MásMóvil, as announced on 29 March 2021;
"Measurement Date"	the relevant date upon which the Preferred Return is to be calculated;
"Measurement Period"	the period between the third and fifth anniversary of the previous Calculation Date;
"Member account ID"	the identification code or number attached to any member account in CREST;
"Net Invested Capital"	the sum of Invested Capital minus Parent Dividends and Parent Capital Returns, as they vary over time from the previous Calculation Date to the Measurement Date;
"Net Shareholder Invested Capital"	from 19 March 2015 the sum of Parent Subscription Proceeds minus Parent Dividends and Parent Capital Returns;
"Non-US Shareholder"	any Qualifying Shareholder who is neither located in nor a citizen of the United States of America and is not a US Person;
"Non-US Tender Conditions"	as defined in paragraph 2.1 of Section A of Part IV of this Circular;
"Non-US Tender Form"	the blue tender form accompanying this Circular issued for use by Non-US Shareholders in connection with the Non-US Tender Offer;
"Non-US Tender Offer"	the invitation by Canaccord to Shareholders who are Non-US Shareholders to tender Shares on the terms and subject to the conditions set out in this Circular and, in the case of Shares held in certificated form only, using the Non-US Tender Form;
"Official List"	the Official List maintained by the FCA;
"Overseas Shareholder"	a Shareholder who is resident in, or a citizen of, a jurisdiction outside the United Kingdom;
"Panel"	the Panel on Takeovers and Mergers;
"Parent Capital Return"	a return of share capital, share premium or other capital reserve made by the Company;
"Parent Dividend"	a dividend paid or other distribution declared by the Company;
"Parent Subscription Proceeds"	the total ordinary share capital invested in the Company (including any Shares issued for non-cash consideration at the value determined by the Board);
"Participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
"Preferred Return"	at the relevant Measurement Date, the Market Capitalisation represents a "compound annual growth rate" (as defined in Zegona Limited's articles of association) of the Net Invested Capital as it varies over time equal to or greater than 5 per cent. per annum;

“Put and Call Option Agreement”	the agreement dated 13 August 2021 between the Company and Canaccord, (further details of which are set out in paragraph 4.1 of Part VI of this Circular) pursuant to which the Company granted Canaccord an option to require the Company to repurchase all Shares purchased by Canaccord pursuant to the Non-US Tender Offer;
“QIB”	a qualified institutional buyer as defined in Rule 144A;
“QP”	a qualified purchaser as defined in Section 2(a)(51) of the Investment Company Act;
“Qualifying Shareholders”	Shareholders entitled to participate in the Tender Offer, being those who are on the Register on the Record Date and who are not Shareholders subject to the securities laws of a Restricted Jurisdiction;
“Receiving Agent”	Link Group, Corporate Actions;
“Record Date”	6.00 p.m. on 5 October 2021;
“Register”	the Company’s register of members;
“Registrars”	Link Group;
“Regulatory Information Service”	any of the regulatory information services set out in Appendix B of the Listing Rules;
“Repurchase”	the purchase by the Company of Shares from Canaccord in connection with the Non-US Tender Offer pursuant to the authority granted under the Resolution, and “Repurchased” shall be construed accordingly;
“Resolution”	the special resolution to be proposed at the General Meeting to implement the Tender Offer;
“Restricted Jurisdiction”	each of Australia, Canada, Japan, New Zealand, South Africa and any other jurisdiction where the mailing of a Tender Form or accompanying documents into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction;
“Rule 144A”	Rule 144A under the Securities Act;
“Securities Act”	the United States Securities Act of 1933, as amended;
“Shareholder Returns”	all Parent Dividends and Parent Capital Returns from the previous Calculation Date;
“Shareholders”	holders of Shares from time to time;
“Shares”	the issued ordinary shares in the capital of the Company, having a nominal value of £0.01 each;
“Takeover Code”	the City Code on Takeovers and Mergers;
“Telecable”	Telecable de Asturias, S.A.U., the Company’s former subsidiary which was sold to Euskaltel;
“Tender Conditions”	the Non-US Tender Conditions and the US Tender Conditions;
“Tender Forms”	the Non-US Tender Form and the US Tender Form;
“Tender Offer”	the Non-US Tender Offer and the US Tender Offer;
“Tender Price”	the tender price of £1.535 per Share;
“TFE Instruction”	a transfer from escrow instruction (as defined by the CREST Manual);
“TTE Instruction”	a transfer to escrow instruction (as defined by the CREST Manual);
“uncertificated” or “in uncertificated form”	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US Person”	a US person as defined in Regulation S under the Securities Act;

“US Shareholder”	any Qualifying Shareholder who is located in or a citizen of the United States of America or otherwise a US Person;
“US Tender Conditions”	as defined in paragraph 2 of Section B of Part IV of this Circular;
“US Tender Form”	the pink tender form accompanying this Circular issued for use by US Shareholders in connection with the US Tender Offer;
“US Tender Offer”	the invitation by the Company to certain US Shareholders that are both QIBs and QPs to tender Shares on the terms and subject to the conditions set out in this Circular and, in the case of Shares held in certificated form only, using the US Tender Form;
“Zegona Limited”	a subsidiary of the Company, incorporated in Jersey with registered number 117602, but resident in England and Wales; and
“Zegona Management”	each of the Directors and employees of the Group who hold directly or indirectly an interest in Shares of the Company.

PART I

LETTER FROM THE CHAIRMAN OF THE COMPANY

ZEGONA COMMUNICATIONS PLC

(Incorporated and registered in England No. 09395163)

Directors:

Eamonn O'Hare (*Chairman and Chief Executive Officer*)
Robert Samuelson (*Chief Operating Officer*)
Ashley Martin (*Non-executive Director*)
Kjersti Wiklund (*Non-executive Director*)
Richard Williams (*Non-executive Director*)
Suzi Williams (*Non-executive Director*)

Registered and Head Office:

8 Sackville Street
London
England W1S 3DG

13 August 2021

Dear Shareholder

Proposed return of up to £329.3² million of cash to Shareholder by way of a Tender Offer at a price of £1.535 per Share

1. INTRODUCTION

On 24 May 2021, Zegona announced that on the successful sale of its investment in Euskaltel to MásMóvil, it would return £335 million in cash to Shareholders.

On 23 July 2021, Zegona began this return of cash to Shareholders with a £5.7 million dividend payment.

Following this dividend and the successful sale of its investment in Euskaltel, Zegona's commitment, is now to return the balance of the £335 million, being at least £329.3² million (the "**Return of Capital**").

The Board confirms today the launch of the Tender Offer, pursuant to which that balance will be returned to Qualifying Shareholders at a price of £1.535 per Share.

As Shareholders will be aware, MásMóvil's takeover bid for Euskaltel has become wholly unconditional and sale proceeds have now been received.

The Directors have sought to structure the Tender Offer in such a way as to ensure that the maximum amount of the cash is returned,³ while allowing Shareholders a choice as to whether to participate in the return of proceeds. Accordingly, each Qualifying Shareholder may tender up to their Basic Tender Offer Entitlement of Shares and may be able to tender additional shares if other shareholders tender less than their Basic Tender Offer Entitlement⁴.

If all Shareholders participate or sufficient Shareholders tender in excess of their Basic Tender Offer Entitlement, £329,306,778 will be returned to Shareholders and 214,532,103 Shares will be repurchased in aggregate.

The Directors consider that the benefits of using a Tender Offer to return cash to Shareholders are that it:

- is available to all Qualifying Shareholders regardless of the size of their shareholdings (subject to rounding);
- provides Qualifying Shareholders who wish to sell Shares the opportunity to do so on an equivalent basis to all Qualifying Shareholders;
- enables those Qualifying Shareholders who do not wish to realise their investment in Shares at this time to maintain their current investment in the Company; and

² £329,306,778

³ To Qualifying Shareholders

⁴ Shareholders may tender in excess of their Basic Tender Offer Entitlement and may be able to sell those Shares through the Tender Offer to the extent that other Shareholders do not tender any of their Shares or tender less than their Basic Tender Offer Entitlement. Each portion of any individual tenders in excess of the Basic Tender Offer Entitlement will be satisfied *pro rata* in proportion to the aggregate tender excess over the Basic Tender Offer Entitlement validly tendered by Shareholders, rounded down to the nearest whole number of Shares

- to the extent Shares are acquired under the Tender Offer, will have a positive impact on the Company's earnings per share as all of the Shares acquired pursuant to Tender Offer will be cancelled.

The purpose of this Circular is to:

- explain the mechanics of the Tender Offer;
- provide Shareholders with terms and conditions relating to the Tender Offer;
- explain to Qualifying Shareholders how they may tender their Shares, should they wish to participate in the Tender Offer; and
- convene a General Meeting of the Company to authorise the buyback of Shares by the Company pursuant to the Tender Offer.

The notice of General Meeting is set out in Part VII of this Circular.

This letter is not a recommendation for Shareholders to tender their Shares under the Tender Offer. Whether or not Shareholders tender their Shares will depend on, among other things, their view of the Company's prospects and their own individual circumstances, including their tax position, on which they should seek their own independent advice.

However, the Board recommends that Shareholders vote in favour of the Resolution to approve the Tender Offer and to enable those Shareholders who wish to do so to realise part of their investment in the Company through the Tender Offer.

2. DETAILS OF THE TENDER OFFER

The Tender Offer is comprised of the Non-US Tender Offer (which is being conducted by Canaccord) and the US Tender Offer (which is being conducted by the Company). Although the Non-US and US Tender Offers are being conducted on substantially the same terms, certain specific details relating to each are set out below.

2.1 Details of the Tender Offer as a whole

Each Qualifying Shareholder will be entitled to sell all, or part, of their Basic Tender Offer Entitlement under the Tender Offer at the Tender Price of £1.535 per Share. Each Qualifying Shareholder may also tender more than their Basic Tender Offer Entitlement under the Tender Offer and that may be acquired depending on the actions of other Qualifying Shareholders.

The Tender Offer will close at 1.00 p.m. on 5 October 2021 and tenders received after that time will not be accepted unless otherwise approved by both Canaccord and the Company.

It is expected that Qualifying Shareholders who successfully tender their Shares will receive payment for such Shares on or before 14 October 2021.

The Tender Offer is subject to, amongst other things, the passing of the Resolution.

Full details of the Tender Offer, including the terms and conditions on which it is made, are set out in Part IV of this Circular. Some questions and answers related to the Tender Offer are set out in Part III of this Circular.

2.2 Details of the Non-US Tender Offer

Subject to certain conditions (including the Resolution being passed at the General Meeting), the Non-US Tender Offer will be implemented on the basis of Canaccord, acting as principal and not as agent, nominee or trustee, acquiring the successfully tendered Shares under the Non-US Tender Offer and a subsequent Repurchase of the tendered Shares from Canaccord by the Company by way of an on-market transaction on the London Stock Exchange, in both cases at the Tender Price.

Shares will be purchased under the Tender Offer free of all commissions and dealing charges save if you own your Shares through a bank, broker, dealer, trust company or other nominee and such nominee tenders your Shares on your behalf, in which case such nominee may charge you a fee for doing so. You should consult with your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.

To give effect to these arrangements, Canaccord has entered into a Put and Call Option Agreement with the Company (details of which are set out in paragraph 4.1 of Part VI of this Circular). Shares Repurchased in connection with the Non-US Tender Offer will be cancelled.

The Non-US Tender Offer will be open to all Non-US Shareholders on the Register on the Record Date, save for those who are subject to the securities laws of a Restricted Jurisdiction (i.e. Qualifying Shareholders).

2.3 Details of the US Tender Offer

Subject to certain conditions (including the Resolution being passed at the General Meeting), the US Tender Offer will be implemented directly by the Company (or an agent of the Company), by way of an on-market transaction on the London Stock Exchange at the Tender Price.

Shares successfully tendered to it in connection with the US Tender Offer will be cancelled.

The US Tender Offer will be open solely to those US Shareholders on the Register on the Record Date who are both QIBs and QPs.

The US Tender Offer in the United States is made solely by the Company. While the US Tender Offer is being made available to US Shareholders, the right to tender Shares is not being made available in any jurisdiction in the United States in which the making of the Tender Offer or the right to tender Shares would not be in compliance with the laws of such jurisdiction.

The receipt of cash pursuant to the US Tender Offer by a US Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each US Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the US Tender Offer.

2.4 Restricted jurisdictions

The Tender Offer is not available to Shareholders in Australia, Canada, Japan or South Africa or any other jurisdiction where the mailing of a Tender Form or accompanying documents into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction.

Further information relating to the terms and conditions of the Tender Offer is set out in Part IV of this Circular.

3. OVERSEAS SHAREHOLDERS

A significant number of the Company's Shares are held on behalf of investors in the US and certain of its Shares are held by former members of the management team of Telecable in Spain so the Company has taken specific advice relating to making the Tender Offer available in those jurisdictions.

The attention of Qualifying Shareholders who are citizens, residents or nationals of countries other than the UK, Spain or the US who wish to participate in the Tender Offer is drawn to paragraph 6 of Section A of Part IV of this Circular.

The Tender Offer is not being made in or into, and is not capable of acceptance in or from the Restricted Jurisdictions. Custodians, nominees and trustees should observe these restrictions and should not send or distribute documents in or into the Restricted Jurisdictions. Any persons (including nominees, trustees and custodians) who may have a legal or contractual obligation to forward this document, the Tender Form and any related documents to any jurisdiction outside the United Kingdom, the United States or Spain should seek appropriate advice and read paragraph 6 of Section A of Part IV of this Circular before doing so.

4. TAXATION

A summary of the tax consequences of the Tender Offer for UK, US and Spanish resident Shareholders is set out in Part V of this Circular.

It should be noted that this refers to the current system of taxation in each of these jurisdictions. Shareholders are strongly advised to obtain independent tax advice regarding their own tax position.

5. SUBSTANTIAL SHAREHOLDINGS

The table below sets out the interests of Shareholders with significant shareholdings in the Company as at 12 August 2021 (being the latest practicable date prior to the publication of this Circular):

	Number of Shares	% of current issued Shares
Marwyn Asset Management Limited ¹	42,062,035	19.21
Artemis Investment Management LLP	31,869,693	14.55
FMR LLC	21,897,007	10.00
Fidelity Investments Limited	21,897,007	10.00
Canaccord Genuity Group Inc	21,368,375	9.76
The Capital Group Companies, Inc.....	14,559,524	6.65
Aberforth Partners LLP	13,760,347	6.28
Chelverton Asset Management Ltd / MI Chelverton UK Growth	12,090,000	5.52
Petrus Advisers Investments Fund L.P.....	6,831,866	3.12

Note

¹ In its capacity as agent for and on behalf of its discretionary managed clients.

Further information about Rule 9 and its application to Shareholders in the context of the Tender Offer is set out in paragraph 7 of Part 1 of this Circular.

6. THE GENERAL MEETING

Notice of a General Meeting of the Company to be held at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL on 6 September 2021 at 11.00 a.m. is set out at Part VII of this Circular, together with a green Form of Proxy for use at the meeting.

6.1 Resolution – Authority to repurchase shares

Whilst the Company has existing authority to purchase up to 32,823,614 Shares pursuant to a resolution passed at the annual general meeting held on 30 June 2021, the Company requires a fresh authority from Shareholders in connection with the proposed Tender Offer and Repurchase since the existing authority was subject to different parameters than those currently proposed. Accordingly, the Resolution proposes the purchase of up to 214,532,103 Shares at a Tender Price of £1.535 per share. The authority to purchase shares pursuant to the Resolution will expire on the date which is 12 months from the date on which the resolution is passed, being 6 September 2021.

6.2 Record date

Each Shareholder registered on the Register at 6 p.m. on 2 September 2021 will be entitled to vote on the resolution contained in the Notice of General Meeting. The Resolution is being proposed as a special resolution. This means that, for the resolution to be passed, at least three-quarters of the votes cast must be in favour.

7. THE TAKEOVER CODE

Rule 9

As a public company incorporated in England and Wales whose Shares are listed on the Standard Segment of the Main Market of the London Stock Exchange, the Company is subject to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining Shareholders to acquire their shares at the highest price paid by that person (or any persons acting in concert with them) for shares in the company within the preceding 12 months.

Rule 9 of the Takeover Code also provides that any person, together with persons acting in concert with that person, who is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company to which the Takeover Code applies but does not hold more than 50 per cent.

of such voting rights will be unable, without the Panel's consent, to acquire, either individually or together, any interest in any further voting rights in the company without being required to make a general offer to shareholders of that company to acquire their shares at the highest price paid by that person (or any persons acting in concert with them) for shares in the company within the preceding 12 months. Persons holding more than 50 per cent. of the voting rights of a company which is subject to the Takeover Code will normally have freedom to acquire further shares without being required to make a general offer to all remaining shareholders under Rule 9 of the Takeover Code.

Rule 37.1 – innocent bystanders

Under Rule 37.1 of the Takeover Code, when a company purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9. A shareholder not acting in concert with the directors will not normally incur an obligation to make a general offer under Rule 9, if, as a result of the purchase of its own shares by a company, he comes to exceed the percentage limits set out in Rule 9.

However, this exception will not apply when a shareholder not acting in concert with the directors has purchased shares at a time when he had reason to believe that such a purchase of its own shares by the company would take place.

Non-Management Shareholders

A Shareholder of the Company not acting in concert with the Directors may, therefore, incur an obligation under Rule 9 to make a general offer to Shareholders to acquire their Shares if, as a result of the purchase by the Company of its own Shares from other Shareholders, he comes to be interested in 30 per cent. or more of the Shares in issue following the Tender Offer and he has purchased Shares after 29 July 2021, being the date when he had reason to believe that the Company would purchase its own Shares under the Tender Offer.

As the Tender Offer is expected to reduce Zegona's issued share capital by 97.97 per cent., particular consideration has been given to Rules 9 of the Takeover Code and the possible implications for Shareholders who elect not to take up their Basic Tender Offer Entitlement under the Tender Offer in whole or in part. Any such Shareholders will increase their percentage holding of the post Tender Offer share capital of the Company. Any shareholder that currently holds 1,331,392 Shares or more (representing approximately 0.6080 per cent. of the issued share capital) would, if they elected not to tender any of their Shares in the Tender Offer and the Tender Offer was fully taken up, increase their interest in Shares of Zegona to 30 per cent. or above.

Following discussions between the Company and the Takeover Panel, the Takeover Panel has confirmed on an ex parte basis that, under Rule 37.1 of the Takeover Code and the notes to that Rule, all existing holders of 1,331,392 Shares or more other than Zegona Management should be treated as "innocent bystanders" in relation to any increase in their interests in Shares as a result of the Tender Offer and will not therefore be required to make an offer under Rule 9 as a result of any increase in their interests brought about by the Tender Offer.

Shareholders should therefore consider the risks associated with the possibility following the Tender Offer of being a minority Shareholder in the Company controlled by a Shareholder holding 30 per cent. or more, and/or a Shareholder holding 50 per cent. or more, of the Shares in the Company and who would not be obliged to make a general offer to the remaining Shareholders. Shareholders should also consider the risks associated with the possibility following the Tender Offer of being a Shareholder with an interest in 30 per cent. or more but holding less than 50 per cent. of the Shares in the Company and being restricted from acquiring more Shares without making a general offer under Rule 9. Such restrictions will not apply to a Shareholder who following the Tender Offer holds more than 50 per cent of the Shares.

Zegona Management Shareholders

Eamonn O'Hare currently holds 2,032,185 Shares, representing approximately 0.93 per cent. of the Company's current issued share capital. In addition, other members of Zegona Management currently hold, in aggregate, 1,131,126 Shares, representing 0.52 per cent. of the Company's current issued share capital. If the Company were to acquire all Basic Tender Offer Entitlements from other Shareholders but Zegona Management did not tender their Basic Tender Offer Entitlement, Zegona Management would remain interested in, in aggregate, 3,163,311 Shares, but those Shares would then represent approximately

42.0 per cent. of the reduced issued share capital of the Company. In these circumstances, Zegona Management would therefore be required to make a mandatory offer for the Company under Rule 9 of the Takeover Code, as the rules regarding “innocent bystander” treatment summarised above would not apply.

The Company expects that the Irrevocable Undertakings from all members of Zegona Management to tender (or procure that the registered holder tenders) their Basic Tender Offer Entitlement under the Tender Offer (representing 3,099,194 Shares in aggregate at the Tender Price of £1.535 per Share), will ensure that their interests will not exceed 30 per cent. of the issued share capital following the Tender Offer. However, as Company’s interim financial statements for the six month period ended 30 June 2021 are scheduled to be published on or before 30 September 2021, the Company is currently in a close period for the purposes of MAR relating to its interim financial statements and therefore the Company has not yet received any irrevocable undertakings from its Directors or other members of senior management to tender their Shares in the Tender Offer.

All members of Zegona Management have also confirmed that they will vote (or procure that the registered holder votes) in favour of the Resolution at the General Meeting.

Further details of the Irrevocable Undertakings expected following the expiry of the close period (upon the publication of the Company’s interim financial statements) are set out in paragraph 3 of Part VI (Additional Information) of this Circular.

Canaccord

Under the Non-US Tender Offer, Canaccord will purchase, as principal and not as agent, nominee or trustee, voting shares in the Company which could result in Canaccord coming to have an interest in such Shares carrying 30 per cent. or more of the voting rights of the Company. Canaccord has a put option providing a unilateral right to sell to the Company and the Company has a call option providing a unilateral right to buy from Canaccord all those Shares acquired by Canaccord under the Non-US Tender Offer, for cancellation by the Company promptly following the closing of the Tender Offer. Accordingly, a waiver has been obtained from the Panel in respect of the application of Rule 9 of the Takeover Code to the purchase by Canaccord of the Shares under the Non-US Tender Offer.

8. ACTION TO BE TAKEN

8.1 Action to be taken in respect of the General Meeting

Shareholders will find enclosed with this Circular a green Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy (together with any power of attorney under which it is executed) in accordance with the instructions printed on the form, so as to reach the Company’s Registrars, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, as soon as possible and in any event not later than 11.00 a.m. on 2 September 2021.

Completion and return of a form of proxy will not, however, prevent you from attending the General Meeting and voting in person if you should wish to do so.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. In order to be valid, the message must be transmitted so as to be received by the issuer’s agent (ID RA10) by 11.00 a.m. on 2 September 2021. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

8.2 Action to be taken in respect of the Tender Offer

If you hold Shares in certificated form and wish to participate in the Tender Offer, tenders may only be made on the relevant accompanying Tender Form, which is personal to the Shareholder(s) named on it and may not be assigned or transferred. You must complete and return your Tender Form to Link Group,

Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible but, in any event so as to arrive no later than 1.00 p.m. on 5 October 2021. Details of how to complete and return your Tender Form are set out in paragraph 3 of Part IV of this Circular.

If you hold Shares in uncertificated form and wish to participate in the Tender Offer, tenders may only be made by way of an electronic tender. If you wish to tender your Shares, you must send a valid TTE Instruction which must settle by 1.00 p.m. on 5 October 2021 as described in paragraph 3.4 of Part IV of this Circular. To be valid, Tender Forms and/or electronic tenders must be received by the Receiving Agent no later than 1.00 p.m. on 5 October 2021.

Shareholders who do not wish to participate in the Tender Offer should not complete the Tender Form and will not be required to make a TTE Instruction.

9. RECOMMENDATION

The Directors are making no recommendation as to whether or not you should accept the Tender Offer.

The Directors consider that the Tender Offer and the Resolution to be put to the General Meeting are in the best interests of the Company and its Shareholders as a whole. The Directors intend to vote in favour of the Resolution and unanimously recommend that you do as well.

Whether or not Qualifying Shareholders decide to tender their Shares will depend, amongst other things, on their view of the Company's prospects and their own individual circumstances (including their own tax position).

If you are in any doubt as to the action you should take, you are recommended to seek your own independent advice.

10. UPDATE ON OTHER MATTERS

As explained in the circular sent to Shareholders on 7 June 2021, the sale of Zegona's holding in Euskaltel and the return of the net proceeds of that sale to Shareholders via the Tender Offer will trigger the Management Incentive Scheme. The value of the proceeds of the Management Incentive Scheme owed to the Managers is expected to be approximately £25.4 million, as per the calculation set out in the Zegona Limited articles of association in the event of a takeover, which includes the scenario where all or substantially all of the business or assets of Zegona Limited have been sold and the net proceeds of the sale, after satisfying Zegona's creditors, are returned to Shareholders. The directors will calculate the value of the Management Incentive Scheme proceeds following completion of the Tender Offer and will engage the Company's auditors to do work to support them.

As part of the Managers' commitment to the long term future of Zegona, the Managers have committed to the conditional subscription of new ordinary shares in the Company equating to up to £4 million in aggregate. Pursuant to the Managers' respective subscription agreements, Eamonn O'Hare has conditionally subscribed up to £2,366,800, Robert Samuelson has conditionally subscribed up to £1,183,400, Howard Kalika has conditionally subscribed up to £224,900 and Menno Kremer has conditionally subscribed up to £224,900, in each case for new ordinary shares in Zegona.

As noted in the Company's announcement on 24 May 2021, as part of its acquisition of Telecable in 2017, Euskaltel agreed to pay Zegona a contingent consideration equal to 35 per cent. of the value of Telecable's tax assets once these were confirmed as being available for use by Euskaltel. Zegona had expected Euskaltel to pay this contingent consideration no later than 15 days after the settlement of the offer for Euskaltel at the value of €8.654 million, which is the liability to Zegona recorded in Euskaltel's published audited financial statements for the year ended 31 December 2020, however, it became apparent that Euskaltel would seek to either reduce and delay the payment to Zegona substantially or require Zegona to deliver a financial instrument to transfer any risk in the tax assets at its own cost. Each of these alternatives was not acceptable to Zegona, so it has sold the right to the contingent payment for €6.4 million in cash.

As also noted in the Company's announcement on 24 May 2021, it committed to return cash using the mechanism which the directors believe offers the best combination of timeliness, cost effectiveness and tax efficiency, which the directors have concluded is the Tender Offer. This has resulted in forecast additional costs of approximately £2 million, principally 0.5 per cent. stamp duty payable on the acquisition of the Shares, which will reduce the net assets of the business following the completion of the Tender Offer.

The impact of these two changes reduces the expected net asset value of the Company (as adjusted to remove the non-current tax receivable of £4.4 million which is dependent on a successful appeal by Zegona in respect of the tax paid by Zegona to HMRC on 4 March 2021 relating to the UK's Controlled Foreign Company legislation and the European Commission's decision in 2019 that the associated Group Financing Exemption was an aid scheme and amounted to illegal state aid) immediately following the Tender Offer (assuming it completes and is accepted in full) to approximately £6.8 million, which is equivalent to 3.1 pence per share based on 218,970,076 shares currently outstanding.

Zegona's management team have also committed to re-invest up to £4 million of the incentive payment it will receive on completion of the Tender Offer, however the aggregate amount of this investment will be scaled back *pro rata* if the shares to be issued would otherwise exceed 28.1 per cent. of the issued share capital of the Company at the time.

Current estimates for the expected net asset value of the Company following the completion of the Tender Offer would result in the number of Shares subscribed for by Management being scaled back. As a result, it is currently expected that the aggregate subscription price for the Shares to be subscribed by Management will be approximately £2.7 million, and following such subscription the Company would have free cash of approximately £9.5 million.

The Company will announce completion of the Management Subscriptions through a Regulatory Information Service.

11. FUTURE OF ZEGONA

If the Tender Offer is approved and taken up, Zegona will be a cash shell whose only significant assets will be cash, all of the ordinary shares in Zegona Limited and a receivable of £4.4 million in relation to tax as described above.

The Group will have up to 8 employees and will seek to continue to execute Zegona's original strategy of investing in businesses in the European TMT sector with the objective to improve their performance to deliver attractive shareholder returns with a 'Buy-Fix-Sell' strategy.

The Directors' intention is for the Company to invest in one or more significant businesses in the European TMT sector, focusing on network-based communications and entertainment services (including broadband, fixed line, mobile, Pay TV and business communications services). It is intended that Zegona will acquire directly or indirectly a minority or controlling positions in strategically sound businesses that require active change to realise full value, creating long-term returns through fundamental business improvements. Targets will be specifically selected for visibility and achievability of returns and with pre-identified potential exit options.

The Company's investment could be funded by further funds raised by an issue of equity (including redeemable shares) and/or debt.

12. FURTHER INFORMATION

Your attention is drawn to the risk factors set out in Part II. You should read all of the information contained in this Circular and not rely solely on information summarised in this letter.

Yours sincerely

Eamonn O'Hare
Chairman and Chief Executive Officer

PART II

RISK FACTORS

Shareholders considering whether to tender their Shares should read this Circular carefully.

In particular, Shareholders should have regard to the following risk factors. The risk factors below are those considered by the Board to be material to the Tender Offer at the date of this document; additional risks and uncertainties that are not currently known or are not currently considered material may emerge or become material.

1. RISKS RELATING TO THE TENDER OFFER

- 1.1 The Tender Offer is subject to certain conditions (principally the need for Shareholder approval and a material change in circumstance not having occurred), the non-fulfilment of which would mean that the Tender Offer could not be implemented and that the Company would have to bear the abortive costs of making the proposal of the Tender Offer.
- 1.2 As a result of the Tender Offer, the number of Shares in issue will be reduced and the Company will reduce in size. As a result, the fixed costs of the Company will be spread over fewer Shares.

2. IF THE TENDER OFFER DOES NOT HAPPEN, FURTHER RETURNS OF CASH TO SHAREHOLDERS MAY NOT TAKE PLACE

- 2.1 If the Tender Offer does not take place, the Group will have on its balance sheet the approximately £329.3 million that is proposed to be returned.
- 2.2 The Board is of the opinion that this cash is surplus to the requirements of the Group at present and that it is in the best interests of Shareholders as a whole not to retain this cash on the Group's balance sheet. If the Tender Offer does not complete, the Board would consider all options available in relation to the use of the cash and, following such consideration, may present alternative proposals to Shareholders. There can be no guarantee that a further return of cash will be possible on commercially similar terms to the Tender Offer.

3. CURRENT TAX LEGISLATION AND PRACTICE MAY CHANGE

- 3.1 The general guides to certain UK tax consequences of the Tender Offer for UK resident Shareholders set out in Part VI of this Circular are based on current UK law and HM Revenue & Customs' practice as at the date of this Circular and do not purport to be a complete analysis or discussion of all potential tax effects relevant thereto. Current legislation and practice may change (including in the period from the date of this Circular and the date(s) on which any proceeds of the Tender Offer are received by Shareholders) and any such change may affect the taxation liabilities of Shareholders in relation to the Tender Offer.
- 3.2 The general guides to certain Spanish tax consequences of the Tender Offer of Spanish resident Shareholders set out in Part VI of this Circular are based on current Spanish tax law, criteria of the Spanish General Directorate of Taxes and judicial precedents as at the date of this Circular and do not constitute a complete and throughout analysis of all potential Spanish tax implications derived from the Tender Offer. Current legislation, administrative and judicial precedent may change (including in the period from the date of this Circular and the date(s) on which any proceeds of the Tender Offer are received by Shareholders) and any such change may affect the taxation liabilities of Shareholders in relation to the Tender Offer.

PART III

QUESTIONS AND ANSWERS ON THE TENDER OFFER

1. INTRODUCTION

To help explain what is involved in the Tender Offer, the Company has prepared a summary and some questions and answers. You should read the whole of this Circular and not rely solely on the summary information in this Part III.

Section A of Part IV of this Circular sets out the detailed terms and conditions of the Non-US Tender Offer and Section B of Part IV of this Circular sets out the detailed terms and conditions of the US Tender Offer. In the event of any inconsistency between the contents of this Part III and the terms and conditions set out in Sections A and B of Part IV of this Circular, the terms and conditions set out in Sections A and B of Part IV of this Circular shall prevail.

A list of defined terms is set out from page 8 of this Circular, in the Section entitled "Definitions".

2. YOU AND THE TENDER OFFER

2.1 *Why am I receiving this Circular?*

The Board has arranged to provide Non-US Shareholders with the opportunity to sell a portion of their Shares (known as their Basic Tender Offer Entitlement) under the Non-US Tender Offer and for the Company to provide US Shareholders with the opportunity to sell a portion of their Shares (known as their Basic Tender Offer Entitlement) under the US Tender Offer. Shareholders have the opportunity to tender up to the Basic Tender Offer Entitlement and to tender excess shares but any such excess tenders above the Basic Tender Offer Entitlement will only be satisfied, on a *pro rata* basis, to the extent that other Shareholders tender less than their aggregate Basic Tender Offer Entitlement.

2.2 *What documents have I been sent?*

- Qualifying Shareholders who hold their Shares in certificated form (that is, not in CREST) should receive:
 - this Circular;
 - a green Form of Proxy;
 - a blue Tender Form (if they are not in the United States) or a pink Tender Form (if they are in the United States); and
 - a prepaid envelope to return the Form of Proxy and Tender Form (for use in the UK).
- Qualifying Shareholders who hold their Shares in uncertificated form (that is, in CREST) should receive:
 - this Circular;
 - a green Form of Proxy; and
 - a prepaid envelope to return the Form of Proxy (for use in the UK).

If you have not received any of the documents listed above please call the Shareholder Helpline, details of which are set out at paragraph 2.34 of Part III of this Circular.

2.3 *Can you summarise the Tender Offer for me?*

- Under the Tender Offer, each Qualifying Shareholder will be entitled to sell approximately 97.9732513 per cent. of their Shares for £1.535 per Share and may be able to sell more depending on the actions of other Shareholders.
- Qualifying Shareholders can choose whether they want to sell all or some of their Shares under the Tender Offer or not. Qualifying Shareholders are not obliged to sell any of their Shares if they do not wish to do so.
- All Shares purchased under the Tender Offer will be purchased at a Tender price of £1.535 per Share.

- In order to participate in the Tender Offer, you must complete your Tender Form and return your share certificates (if you hold your shares in certificated form) or complete your TTE Instruction (if you hold your shares in CREST) by no later than 1.00 p.m. on 5 October 2021.

2.4 Why is the Company returning money to its Shareholders?

The Board is committed to providing Shareholders with ongoing cash returns quickly and tax efficiently. The Company recently completed the sale of Euskaltel for a cash consideration of €421.3 million which it converted to £364.4 million.

Accordingly, the Board intends to return up to £329,306,778 to Qualifying Shareholders, comprising surplus cash of the Company following the sale of Euskaltel.

2.5 What will the Company do with money that is not returned to Shareholders under the Tender Offer?

To the extent that Shareholders choose not to participate in the Tender Offer, the surplus cash that is not returned to Shareholders will be held by the Company. The Board will consider how to utilise the surplus cash in due course, depending on the relevant amount and other conditions.

2.6 Why has the Company chosen a Tender Offer (and associated Repurchase) as a way of returning money to Shareholders?

After careful consideration, the Board considers the Tender Offer, together with the subsequent Repurchase pursuant to the Non-US Tender Offer, to be the most appropriate means of returning capital to the Shareholders as it is quicker than some of the other methods of distributing cash to Shareholders which were considered by the Board, it allows Shareholders individually to choose whether or not to participate, and it is expected to provide certain Shareholders with preferable tax treatment.

2.7 Why is there a Non-US Tender Offer and a US Tender Offer?

The Non-US Tender Offer is being conducted by Canaccord, acting as principal and not as agent, nominee or trustee. It is not possible for US Shareholders to participate in the Non-US Tender Offer. As such, the Company is separately conducting the US Tender Offer to enable US Shareholders to participate in the Tender Offer on identical terms (save to the extent of Canaccord's involvement) to Non-US Shareholders.

2.8 Who is eligible to participate in the Tender Offer?

All Qualifying Shareholders are eligible to participate in the Tender Offer.

Shareholders who are citizens, residents or nationals of countries other than the UK, Spain or the US, should read the information for Overseas Shareholders set out in Section A of Part IV of this Circular.

US Shareholders that are both QIBs and QPs should read the information set out in Section B of Part IV of this Circular.

2.9 Should I sell my shares?

You should make your own decision as to whether or not you participate in the Tender Offer and are recommended to consult an appropriate independent adviser. The Board makes no recommendation to Shareholders as to whether or not they should tender all or any of their Shares in the Tender Offer. Whether or not Shareholders decide to tender their Shares will depend, amongst other factors, their own individual circumstances, including their own tax position.

2.10 Do I have to sell my Shares?

No, you are not obliged to sell your Shares. If you do not wish to sell your shares, do not complete your Tender Form (if you hold your shares in certificated form) or complete your TTE Instruction (if you hold your shares in CREST).

2.11 What happens if I don't sell my Shares?

If you choose not to sell any Shares, your holding will be unaffected, save for the fact that you will (assuming the Tender Offer is completed) end up owning a greater percentage of the Shares of the Company after the Tender Offer than you did before as there will be fewer shares in issue after completion of the Tender Offer process than before. The maximum number of Shares that could be

acquired under the Tender Offer is 214,532,103 (representing approximately 97.97 per cent. of the Company's current issued ordinary share capital), so the increase in the percentage of your holding could be significant and may result in your shareholding increasing to or above 30 per cent. This could have significant consequences for you and you are encouraged to read paragraph 7 of Part I (*The Chairman's Letter*) of this Circular and seek advice as necessary in order to fully understand the implications of doing so.

2.12 What is the maximum and minimum number of Shares I can tender?

There is no maximum nor minimum number of Share you can tender. You are entitled to tender any number of your Shares up to your Basic Tender Offer Entitlement, being 97.9732513 per cent. of the Shares you hold as at the Record Date. You may also tender additional Shares, but any such excess tenders above the Basic Tender Offer Entitlement will only be satisfied, on a *pro rata* basis, to the extent that other Shareholders tender less than their aggregate Basic Tender Offer Entitlement.

2.13 Can I tender some but not all of my Shares?

Yes, whether you hold your Shares in CREST or in certificated form. If you hold your Shares in certificated form, there is a space on the Tender Form for you to state how many Shares you wish to tender if you would prefer to tender a number of Shares which is above or below your Basic Tender Offer Entitlement but below your entire holding of Shares. If you hold your Shares in CREST then you must specify the number of Shares you are tendering in your TTE Instruction.

2.14 Can I tender some of my Shares at one price and some at another?

No. The Tender Offer is being made at the Tender Price which is £1.535 per Share.

2.15 What is the Tender Price?

The Tender Price is £1.535 per Share calculated by reference to the adjusted net asset value of the Company as described in the Company's announcement on 24 May 2021.

As the Tender Price is a not in a whole number of pence, the aggregate Tender Price for all of the Shares you successfully tender may include a fraction of a penny. Such fractions will be rounded down and not paid to you.

2.16 What will I receive?

What you receive will depend on the action that you take. If you decide to participate and some or all of your Shares are successfully tendered in the Tender Offer, you will sell the successfully tendered Shares and will receive cash proceeds for them. If you decide to keep your Shares, you will not receive any money under the Tender Offer, but assuming successful completion of the Tender Offer and the associated acquisition of Shares by the Company, you will end up owning a greater percentage of the Company's issued share capital after the Tender Offer than you did before (see question 2.11).

As the Tender Price is a not in a whole number of pence, the aggregate Tender Price for all of the Shares you successfully tender may include a fraction of a penny. Such fractions will be rounded down and not paid to you.

2.17 Will all of the Shares I tender be purchased?

Each Shareholder is entitled to tender a percentage of that Shareholder's holding equal to (or less than, if they so choose) the Basic Tender Offer Entitlement. If a Shareholder validly tenders a number of Shares less than or equal to the Basic Tender Offer Entitlement, the tender will be satisfied in full (subject to the Tender Offer not being terminated or lapsing prior to its completion and satisfaction of the other terms and conditions set out in Part IV of this Circular and (where relevant) the Tender Form).

Shareholders will also be entitled to apply to tender Shares above their Basic Entitlement and, to the extent that other Shareholders do not tender up to their Basic Tender Offer Entitlement, such applications will be satisfied proportionately to other excess applications. Accordingly, Shareholders should be aware that if they validly tender all of their Shares, and other Shareholders do not take up their full entitlement, potentially the Shareholders who tendered all of their Shares could have such amount purchased. Therefore, if Shareholders only wish for a portion of their holding to be purchased, they should only tender that portion of their holding.

Worked examples of calculations of the Basic Tender Offer Entitlement and satisfaction of excess applications respectively are set out below.

Example – Basic Entitlement

A Shareholder’s Basic Entitlement is 97.9732513 per cent. of the Shares registered in his or her name at the Record Date and a Shareholder holding 1,000 Shares would therefore be entitled to tender, and have accepted for tender, 979 Shares (being 979.732513 Shares rounded down to the nearest whole number).

Example – Excess Applications

Consider the following scenario in which, for illustrative purposes only, there are only three Shareholders, two holding 1,000 Shares and one holds 10 Shares and the Basic Tender Offer Entitlement is 97.9732513 per cent. Shareholder X tenders all of its 1,000 Shares, Shareholder Y tenders 990 of its 1,000 Shares and Shareholder Z does not tender any of its 10 Shares.

Shareholder X and Shareholder Y have tendered a number of Shares in excess of the Basic Tender Offer Entitlement of 97.9732513 per cent. (being 979 Shares each, based on a shareholding of 1,000 Shares). Shareholder X has tendered 21 Shares in excess of the Basic Entitlement and Shareholder Y has tendered 11 Shares in excess of the Basic Entitlement. The number of “Total Excess Tenders” is therefore 21 + 11 = 32 Shares.

Shareholder Z has tendered less than the Basic Entitlement of 97.9732513 per cent. There is therefore an unused portion of 10 Shares, which is the “Total Available Shares” to be allocated between the excess tenders by Shareholder X and Shareholder Y respectively.

Given that the Total Excess Tenders (32 Shares) exceeds the Total Available Shares (10 Shares), the excess tenders by Shareholder X and Shareholder Y cannot be satisfied in full. The excess tenders would be scaled back using a multiplier calculated as follows:

$$\frac{\text{Total Available Shares} \quad 10}{\text{Total Excess Tenders} \quad 32} = \frac{\quad}{\quad} = 0.3125$$

Excess tenders calculated using the ratio above will be rounded down to the nearest whole number of Shares (and fractional entitlements will not be allocated and will be disregarded). As such, in addition to the Basic Tender Offer Entitlement of 979 Shares for each of Shareholder X and Shareholder Y, Shareholder X will also receive 21 × 0.3125 = 6 Shares (being 6.5625 Shares rounded up to the nearest whole number) and Shareholder Y will also receive 11 × 0.3125 = 3 Shares (being 3.4375 Shares rounded down to the nearest whole number).

The Company and Canaccord retain the discretion to make minor adjustments to the above in order to account for fractional differences and ensure the maximum aggregate number of shares is accepted.

2.18 What do I need to do now?

If you hold your Shares in certificated form and you wish to tender some or all of your Shares, you should complete the relevant Tender Form in accordance with the instructions printed on it and set out in Part IV of this Circular. You should return your completed Tender Form by post in the accompanying reply-paid envelope (for use in the UK only) or by hand to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, together with your share certificate(s) in respect of the Shares tendered.

If you hold your Shares in uncertificated form and you wish to tender some of all of your Shares, you should send a TTE Instruction for your Basic Tender Offer Entitlement and follow the procedures set out in Part IV of this Circular in respect of tendering uncertificated Shares.

Completed Tender Forms and/or TTE Instructions (as appropriate) must be received by Link Group by no later than 1.00 p.m. (UK time) on 5 October 2021 after which time Tender Forms and/or TTE Instructions (as appropriate) will be rejected.

2.19 What is the deadline for returning my Tender Form?

The Tender Offer will close at 1.00 p.m. (UK time) on 5 October 2021 and tenders received after that time will not be accepted.

2.20 What should I do if I have lost my share certificate and wish to participate in the Tender Offer?

You should complete the Tender Form and send it, together with a letter of explanation to Link Group in accordance with the instructions in the relevant Tender Form. You should then phone the Shareholder helpline or write to Link Group asking for a letter of indemnity to be sent to you, which you should then complete in accordance with the instructions given and send back to Link Group immediately.

2.21 If my Shares are held by my broker or other nominee, will that person tender my Shares on my behalf?

Depending on the terms under which such Shares are held, your Shares may only be tendered if you provide instructions to your broker or other nominee to do so. You should follow the directions provided by your broker or other nominee regarding how to instruct your broker or other nominee to tender your Shares. Without your specific instructions, your Basic Tender Offer Entitlement may not be tendered for purchase under the Tender Offer.

2.22 Can I withdraw my tender?

You can withdraw or amend your tender of Shares up until 1.00 p.m. (UK time) on 5 October 2021, which is the closing date for the Tender Offer. If you wish to do so, please contact Link Group on the Shareholder Helpline (details of which are set out in paragraph 2.31 below).

2.23 When do I receive my cash?

As explained under the section entitled "Expected timetable of events" on page 7 of this Circular, it is anticipated that, for holders of Shares in certificated form, a cheque would be despatched to you for the proceeds of any sale by 14 October 2021. CREST account holders would have their CREST accounts credited on 14 October 2021.

2.24 Do I have to pay any costs and expenses?

Neither the Company nor Canaccord is imposing any fees on Shareholders in connection with the Tender Offer. If you own your Shares through a bank, broker, dealer, trust company or other nominee and such person tenders your Shares on your behalf, such person may charge you a fee for doing so. You should consult with your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.

2.25 What is the tax treatment for Shareholders?

For information on certain UK, US and Spanish taxation consequences of the Tender Offer please see Part V of this Circular. This information is for guidance only and does not constitute tax advice. If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction other than the UK, the US or Spain, you should consult an independent professional adviser.

2.26 What happens if I sell my Shares after receiving this Circular?

You may trade your Shares in the normal way during the Tender Offer period.

If you have sold or otherwise transferred all of your Shares, please forward this Circular (but not the accompanying personalised Tender Form) at once to the purchaser or transferee or the agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee (but not if such purchaser, transferee or agent is resident in a Restricted Jurisdiction). If you have sold part of your holding of Shares, please retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected as to the actions you should take.

2.27 What happens if I hold my Shares in an ISA?

You should contact your plan manager. We expect that you will be written to separately by your plan manager about the implications of the Tender Offer on your ISA holding.

2.28 Can I tender my Shares by guaranteed delivery?

No. Shares may not be tendered in the Tender Offer by guaranteed delivery.

2.29 What if I am resident outside the UK?

Shareholders resident outside the UK, or who are nationals or citizens of jurisdictions other than the UK, should read the additional information set out in paragraph 6 of Section A of Part IV of this Circular.

2.30 What are the arrangements for the General Meeting given the current situation with the Covid-19 pandemic?

Given the unprecedented circumstances due to the COVID pandemic, the Board has decided to put in place contingency arrangements that mean the General Meeting will not follow the usual format. Only the formal business (consisting of voting on the Resolution proposed in the Notice of General Meeting) to meet the minimum legal requirements will be conducted and the General Meeting will proceed as set out below:

- (a) the General Meeting will be at 10 Snow Hill, London, EC1A 2AL or, if those offices are closed, immediately outside those offices;
- (b) the Chairman of the Board and another member of the executive management team (or a proxy representing such person) who holds shares in the Company will attend (in person or by proxy) the General Meeting to ensure that the General Meeting is quorate;
- (c) no other Directors will be present in person;
- (d) there will be no presentation at the General Meeting;
- (e) as would normally be the case, the votes on the resolution to be proposed at the General Meeting will be conducted on a show of hands and the chairman of the meeting will vote on a show of hands in accordance with the proxies held; and
- (f) the results of the proxy votes will be published immediately following the conclusion of the General Meeting by way of a stock exchange announcement and on the Company's website.

The Board considers that proceeding with a "technical" General Meeting which minimises the risk of transmission of Covid-19 is in the best interests not only of the Company, but also of each of its individual Shareholders. By allowing the voting to proceed in accordance with instructions received by proxy, the Company can ensure it can comply with its legal requirements, while ensuring that no one will have to travel unnecessarily to attend the General Meeting.

The Company will continue to monitor the situation over the coming weeks and, if any changes to these arrangements are deemed necessary, will notify Shareholders of any changes to the proposed format for the General Meeting via its website as soon as possible.

Shareholders should ensure that they complete and return their Form of Proxy by no later than 11.00 a.m. on 2 September 2021 to ensure their vote on the Resolution is counted.

Shareholders will be able to speak at and listen to the General Meeting via an audio dial-in facility. Details will be made available on the Company's website (<http://www.zegona.com>).

2.31 Why is a general meeting of Shareholders required to approve the Tender Offer?

Although the Company is authorised to purchase up to 32,823,614 Shares pursuant to a resolution passed at the annual general meeting held on 30 June 2021, the Company requires a fresh authority from Shareholders in connection with the proposed Tender Offer and Repurchase since the existing authority was subject to different parameters and applied to a smaller number of Shares. Accordingly, the Company is holding the General Meeting on 6 September 2021 at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL, to seek authority for the purchase of up to 214,532,103 Shares at a Tender Price of £1.535 per share pursuant to the Tender Offer.

Shareholders should ensure that they complete and return their Form of Proxy by no later than 11.00 a.m. on 2 September 2021 to ensure their vote on the Resolution is counted.

Shareholders will be able to speak at and listen to the General Meeting via an audio dial-in facility. Details will be made available on the Company's website (<http://www.zegona.com>).

2.32 What do I do if I hold Shares as nominee on behalf of more than one beneficial shareholder?

You should aggregate your instructions from the beneficial owners of Shares on behalf of whom you hold Shares and then allocate the Shares tendered between them.

2.33 What if I hold Shares on behalf of both US Shareholders and Non-US Shareholders?

If the Shares are held in certificated form, you should complete the Non-US Tender Form in respect of Non-US Shareholders and the US Tender Form in respect of US Shareholders. You should follow the procedure for tendering as set out in paragraph 3.2 of Section A of Part IV of this Circular in respect of Shares held on behalf of Non-US Shareholders and paragraph 3.2 of Section B of Part IV of this Circular in respect of Shares held on behalf of US Shareholders.

If the Shares are held in uncertificated form, you should send two TTE Instructions to Euroclear, one in respect of Shares held on behalf of Non-US Shareholders and the other in respect of Shares held on behalf of US Shareholders. You should follow the procedure for tendering as set out in paragraph 3.4 of Section A of Part IV of this Circular and paragraph 3.4 of Section B of Part IV of this Circular, respectively.

2.34 What if I have any more questions?

We have set up a Shareholder helpline. Accordingly, you can call Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Please note that, for legal reasons, the Shareholder Helpline is only able to provide information contained in this Circular, information relating to the Company's register of members and information regarding completion of forms and is unable to give advice on the merits of the Tender Offer or to provide legal, financial, tax or investment advice. If you are in any doubt about what action to take you should seek your own personal financial advice from your independent financial adviser, stockbroker, solicitor, accountant, bank manager or from an appropriately qualified independent adviser authorised pursuant to the Financial Services and Markets Act 2000.

3. THE TENDER OFFER

3.1 How many Shares will there be after the Tender Offer and associated Repurchase and cancellation of Shares?

We are unable to give an exact number at this stage, as it will depend on how many of the Shares are successfully tendered. Following the purchase of Shares by the Company from US Shareholders and from Canaccord pursuant to the Put and Call Option Agreement and the subsequent cancellation of such Shares, up to 214,532,103 Shares may be tendered and cancelled. The Company's issued ordinary share capital would therefore be reduced by up to approximately 97.97 per cent. assuming the Tender Offer is fully subscribed and that the Shares which are purchased by Canaccord under the Non-US Tender Offer are Repurchased by the Company pursuant to the Put and Call Option Agreement. If the Tender Offer is not fully subscribed, then fewer Shares may be tendered and cancelled as a result of the Tender Offer and associated Repurchase and cancellation of Shares.

3.2 Can the Company decide not to proceed with the Tender Offer?

The Tender Offer is conditional upon the satisfaction of the Tender Conditions set out in paragraph 2.1 of Section A and paragraph 2.1 of Section B Part IV of this Circular. Should the Tender Conditions not be satisfied or waived by Canaccord or the Company, as the case may be, then the Tender Offer will not proceed.

The Company may also resolve to withdraw the Tender Offer in the event of a material change in the Company's circumstances and will withdraw the Tender Offer if it becomes aware that a takeover offer or approach in relation to such an offer has been or will be made for the Company.

3.3 What will happen to the Shares that are successfully tendered?

The Non-US Tender Offer is being made by Canaccord, acting as principal and not as agent, nominee or trustee. Canaccord and the Company have entered into the Put and Call Option Agreement pursuant to which Canaccord has the right to require the Company to purchase from Canaccord the Shares purchased by it under the Non-US Tender Offer and the Company has the right to require Canaccord to sell the Shares purchased by it under the Non-US Tender Offer, at a price per Share equal to the Tender Price.

The Company will cancel the Shares that are successfully tendered to Canaccord pursuant to the Non-US Tender Offer and subsequently Repurchased by the Company pursuant to the Put and Call Option Agreement. Shares that are successfully tendered to the Company pursuant to the US Tender Offer will be repurchased by the Company and will also be cancelled.

PART IV

TERMS AND CONDITIONS OF THE TENDER OFFER

A. TERMS AND CONDITIONS OF THE NON-US TENDER OFFER

1. INTRODUCTION

Non-US Shareholders on the Register on the Record Date are being invited to tender all, or part, of their Basic Tender Offer Entitlement of their Shares for purchase by Canaccord on the terms and subject to the conditions set out in this Circular and, in the case of certificated Shares, in the Non-US Tender Form. Non-US Shareholders will also be entitled to sell more Shares than their Basic Tender Offer Entitlement, but only to the extent to which other Shareholders tender less than their aggregate Basic Tender Offer Entitlement.

Shareholders who do not wish to participate in the Non-US Tender Offer need take no action. The rights of Shareholders who choose not to tender their Shares will be unaffected.

All Shares that are Repurchased pursuant to the Put and Call Option Agreement will be cancelled.

2. TERMS OF THE NON-US TENDER OFFER

2.1 The Non-US Tender Offer is conditional upon the following (together the “Non-US Tender Conditions”):

2.1.1 the Tender Offer Resolution being passed by the requisite majority of Shareholders at the General Meeting;

2.1.2 the Capital Reduction becoming effective and the post-Capital Reduction interim accounts of the Company being filed at Companies House;

2.1.3 each of the US Tender Conditions having been satisfied or waived;

2.1.4 the Company at all times having performed in all material respects all of its obligations under the Put and Call Option Agreement and the Engagement Letter;

2.1.5 the representations, undertakings and warranties of the Company in the Put and Call Option Agreement and the Engagement Letter being true and accurate in all material respects;

2.1.6 Canaccord not having received written notice from the Directors of the Company that the Directors have concluded that the implementation of the Tender Offer is no longer in the best interests of the Company and/or Shareholders as a whole; and

2.1.7 the Company not becoming aware that an approach or offer (each having the same meaning as in the Takeover Code) has been or will be made for the Company .

Canaccord will not purchase the Shares pursuant to the Non-US Tender Offer unless all the Non-US Tender Conditions have been satisfied. The Non-US Tender Conditions under 2.1.3 and 2.1.4 above may be waived by Canaccord, but the other Non-US Tender Conditions may not be waived by Canaccord or the Company. If any of the above conditions are not satisfied or waived (as applicable) by 6.00 p.m. on 5 October 2021 (or such later time and date as the Company and Canaccord may agree), the Non-US Tender Offer will lapse.

2.2 All Shares tendered by Non-US Shareholders under the Non-US Tender Offer must be tendered at the Tender Price.

2.3 The maximum number of Shares that could be purchased under the Non-US Tender Offer will be 214,532,103 (equivalent to approximately 97.97 per cent. of the issued share capital of the Company which, as at 12 August 2021 (being the latest practicable date prior to the publication of this Circular), was 218,970,076 Shares).

2.4 The Non-US Tender Offer is available only to Non-US Shareholders on the Register on the Record Date.

2.5 Non-US Tender Forms (for Shares held in certificated form) once duly completed and submitted to the Receiving Agent and TTE Instructions which have settled (for Shares held in uncertificated form) may be withdrawn at any time up to the closing date of the Tender Offer, which will be 1.00 p.m. on 5 October 2021 and thereafter will be irrevocable. All questions as to the validity (including time of receipt) of tenders will be determined by Canaccord, the Company and the Receiving Agent,

which determination shall be final and binding (except as otherwise required under applicable law). None of the Company, Canaccord, the Receiving Agent or any other person is or will be obliged to give notice of any defects or irregularities and none of them will incur any liability for failure to give such notice.

- 2.6 The Non-US Tender Offer will close at 1.00 p.m. on 5 October 2021 and no tenders received after that time will be accepted unless otherwise approved by Canaccord and the Company.
- 2.7 Shares successfully tendered under the Non-US Tender Offer will be sold to Canaccord fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same. If Canaccord exercises its put option or the Company exercises its call option under the Put and Call Option Agreement, upon the Repurchase by the Company, Shares successfully tendered under the Non-US Tender Offer (or a corresponding number of Shares) will be sold by Canaccord to the Company by way of an on-market transaction on the London Stock Exchange and will subsequently be cancelled. Such Shares will not rank for any dividends, distribution or other equity-related rights declared by the Company after the date they are sold by Canaccord to the Company.
- 2.8 All tenders of Shares held in certificated form must be made on the accompanying Non-US Tender Form, duly completed in accordance with the instructions set out below and on the Non-US Tender Form, as applicable (which constitute part of the terms of the Non-US Tender Offer). Such tenders will be valid only when the procedures contained in this Part IV of the Circular and in the Non-US Tender Form are complied with.
- 2.9 All tenders of Shares held in uncertificated form (that is, in CREST) must be made by the input and settlement of an appropriate TTE Instruction in CREST in accordance with the instructions set out below and the relevant procedures in the CREST Manual which together constitute part of the terms of the Non-US Tender Offer. Such tenders will be valid only when the procedures contained in this Section A of Part IV of the Circular and in the relevant parts of the CREST Manual are complied with.
- 2.10 The Non-US Tender Offer and all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Non-US Tender Offer and the Non-US Tender Form or the input of a TTE Instruction in CREST, whether contractual or non-contractual, will be governed by, and construed in accordance with, the laws of England and Wales and the delivery of a Non-US Tender Form or the input of a TTE Instruction in CREST, as applicable, will constitute submission to the jurisdiction of the courts of England and Wales.
- 2.11 The results of the Non-US Tender Offer are expected to be announced on 6 October 2021.
- 2.12 All documents and remittances sent by or to Non-US Shareholders and all instructions made by or on behalf of a Non-US Shareholder in CREST relating to the Non-US Tender Offer will be sent or made (as the case may be) at the risk of the sender or maker. If the Non-US Tender Offer does not become unconditional, or does not proceed, and lapses, in respect of Shares held in certificated form, Non-US Tender Forms, share certificates and other documents of title will be returned by post to Non-US Shareholders at their risk, or, in respect of Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow by TFE Instruction to the original available balances to which those Shares relate, in each case not later than ten Business Days after the date of such lapse.
- 2.13 Further copies of the Non-US Tender Form may be obtained on request from the Receiving Agent. Please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- 2.14 Under the Non-US Tender Offer and subject to the terms and conditions set out in this Section A of Part IV, and (where relevant) the Non-US Tender Form, Non-US Shareholders will be entitled to sell to Canaccord some, all or more than their Basic Tender Offer Entitlement.

If a Non-US Shareholder validly tenders a number of Shares which is less than or equal to their Basic Tender Offer Entitlement, the tender will be satisfied in full (subject to (i) the Non-US Tender Offer not being terminated or lapsing prior to its completion; and (ii) satisfaction of the other terms and conditions set out in this Part IV and (where relevant) the Non-US Tender Form).

- 2.15 Non-US Shareholders will also be entitled to sell more Shares than their Basic Tender Offer Entitlement, but only to the extent to which other Shareholders tender less than their aggregate Basic Tender Offer Entitlement. In these circumstances, subject to any scaling back required in order to ensure that the number of Shares purchased under the Tender Offer does not exceed the 214,532,103, the excess portion of any tenders will be satisfied *pro rata* and in proportion to the aggregate number of Shares validly tendered by Shareholders in excess of their Basic Tender Offer Entitlement (rounded down to the nearest whole number of Shares). To the extent there is insufficient headroom to satisfy all excess applications, the excess portion of any tenders will be scaled back *pro rata* and in proportion to the aggregate excess applications.
- 2.16 The Basic Tender Offer Entitlement will apply to each registered Non-US Shareholder. Registered Non-US Shareholders who hold Shares for multiple beneficial owners may decide the allocation between such beneficial owners at their own discretion.
- 2.17 All Shares successfully tendered pursuant to the Non-US Tender Offer will be purchased by Canaccord, as principal and not as agent, nominee or trustee, at the Tender Price. As the Tender Price is a not in a whole number of pence, the aggregate Tender Price for all of the Shares you successfully tender may include a fraction of a penny. Such fractions will be rounded down and not paid to you.
- 2.18 All questions as to the number of Shares tendered and the validity, form, eligibility (including the time of receipt) and rejection of any tender of Shares under the Non-US Tender Offer will be determined jointly by Canaccord and the Company, which determination shall be final and binding on all parties except as otherwise required under applicable law. Notwithstanding the foregoing, Canaccord reserves the absolute right to reject any or all tenders it determines not to be in proper form or where the payment for which may, in the opinion of Canaccord (after consulting with the Company), be unlawful. Canaccord also reserves the absolute right to waive any of the terms or conditions of the Tender Offer with the consent of the Company (other than clauses 2.1.2 and 2.1.5 of the Non-US Tender Conditions) and any defect or irregularity in the tender of any particular Shares or any particular holder thereof. Unless Canaccord determines otherwise, no tender of Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Non-US Tender Offer will not be despatched (in respect of Shares in certificated form) or made by way of CREST payment (in respect of Shares in uncertificated form) to the relevant Non-US Shareholder until after (in the case of Shares in certificated form) the Non-US Tender Form is complete in all respects and the share certificate(s) and/or other document(s) of title satisfactory to Canaccord have been received or (in the case of Shares in uncertificated form) the relevant TTE Instruction has settled. None of the Receiving Agent, Canaccord, the Company or any other person is or will be obliged to give notice of any defects or irregularities in any tender and none of them will incur any liability for failure to give any such notice.
- 2.19 Shares will be purchased under the Non-US Tender Offer free of all commissions and dealing charges save if you own your Shares through a bank, broker, dealer, trust company or other nominee and such person tenders your Shares on your behalf, in which case such person may charge you a fee for doing so. You should consult with your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.
- 2.20 The failure of any person to receive a copy of this Circular or the Non-US Tender Form or US Tender Form shall not invalidate any aspect of the Non-US Tender Offer.
- 2.21 The terms of the Non-US Tender Offer shall have effect subject to such non-material modifications as the Company and Canaccord may from time to time approve in writing. The times and dates referred to in this Circular may be amended by agreement in writing between the Company and Canaccord.

3. PROCEDURE FOR TENDERING

3.1 *Different procedures for certificated and uncertificated Shares*

If you hold Shares in certificated form, you may tender such Shares only by completing and returning the Non-US Tender Form in accordance with the instructions printed thereon and set out in paragraph 3.2 below. If you hold Shares in certificated form, but under different designations, you should complete a separate Non-US Tender Form for each designation. Additional copies of the Non-US Tender Form can be obtained from the Receiving Agent or by calling the Shareholder Helpline, details of which are set out in paragraph 3.3 below.

If you hold Shares in uncertificated form (that is, in CREST) you may tender such Shares only by TTE Instruction in accordance with the procedure set out in paragraph 3.4 below and, if those Shares are held under different member account IDs, you should send a separate TTE Instruction for each member account ID.

3.2 *Shares held in certificated form (that is, not in CREST)*

To participate in the Non-US Tender Offer, Non-US Shareholders holding Shares in certificated form must complete, sign, have witnessed and return the Non-US Tender Form in accordance with these instructions and the instructions on the Non-US Tender Form.

Completed, signed and witnessed Non-US Tender Forms, together with the relevant valid share certificate(s) and/or other document(s) of title, should be sent either by post in the accompanying reply-paid envelope (for use in the UK only) or (during normal business hours only) delivered by hand to the Receiving Agent, at Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 5 October 2021. Tenders received after that time will be accepted only at the sole discretion of Canaccord and the Company, acting jointly.

Duly completed Non-US Tender Forms sent by any of the means set out above and received signed and complete in all respects by the prescribed time will be treated as tenders of Shares in accordance with the terms and conditions of the Non-US Tender Offer. No acknowledgement of receipt of documents will be given.

The completed and signed Non-US Tender Form should be accompanied, where possible, by the relevant share certificate(s) and/or other document(s) of title.

If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the Non-US Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent, Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by no later than 1.00 p.m. on 5 October 2021, together with any share certificate(s) and/or document(s) of title that you may have available.

In respect of those Shares for which your share certificate(s) and/or other document(s) of title is/are unavailable and you have been sent a Non-US Tender Form, a letter of indemnity can be obtained by writing to Link Group or contacting them on the Shareholder Helpline (the details of which are set out in paragraph 3.3 below). If a separate letter of indemnity is completed, this should be returned with the Tender Form as described above so as to be received by the Receiving Agent, Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by no later than 1.00 p.m. on 5 October 2021. A fee may be payable by the Non-US Shareholder in respect of each letter of indemnity.

Where you have completed and returned a letter of indemnity in respect of unavailable share certificate(s) and/or other document(s) of title and you subsequently find or obtain the relevant share certificate(s) and/or other document(s) of title, you should immediately send the certificate(s) and/or other document(s) of title by post or (during normal business hours only) by hand to the Receiving Agent, Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

3.3 If you are in any doubt as to the procedure for participating in the Non-US Tender Offer, please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

By signing and returning a Non-US Tender Form, you will be deemed to have instructed Canaccord to remit the cash consideration to the Receiving Agent with instructions that such consideration be remitted in accordance with the instructions set out in the Non-US Tender Form.

3.4 Shares held in uncertificated form (that is, in CREST)

If your Shares are in uncertificated form, to tender such shares under the Non-US Tender Offer you should take (or procure the taking of) the action set out below to transfer (by means of a TTE Instruction) the number of Shares you wish to tender under the Non-US Tender Offer to the relevant escrow account specifying Link Group (in its capacity as a CREST participant under the relevant Participant ID(s) and member account ID(s) referred to below) as the escrow agent, as soon as possible and in any event so that the TTE Instruction settles by no later than 1.00 p.m. on 5 October 2021. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure you time the input of any TTE Instructions accordingly.

The input and settlement of a TTE Instruction in accordance with this paragraph shall constitute an offer to Canaccord to sell to it such number of Shares as indicated in that TTE Instruction at the Tender Price by transferring such Shares to the relevant escrow account as detailed below.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your Participant ID and the member account ID under which your Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which you wish to tender. The Corporate Action Number is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST.

After settlement of the TTE Instruction, you will not be able to access in CREST the Shares concerned for any transaction or charging purposes, notwithstanding that they will be held by Link Group as the escrow agent until completion or lapse of the Non-US Tender Offer. If the Non-US Tender Offer becomes unconditional by 6.00 p.m. on 5 October 2021, or such later time and date as the Company and Canaccord may agree, Link Group will transfer the successfully tendered Shares to itself as the agent of Canaccord, transferring any Shares not successfully tendered to the original available balances to which those Shares relate.

You are recommended to refer to the CREST Manual for further information on the CREST procedures outlined below. You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Shares to settle prior to 1.00 p.m. on 5 October 2021. In this connection you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

3.4.1 Electronic tenders

To tender Shares in uncertificated form you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear in relation to such Shares.

The TTE Instruction must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- (a) the number of Shares which you wish to tender and to be transferred to the relevant escrow account;
- (b) your member account ID;
- (c) your Participant ID;
- (d) the Participant ID of Link Group, in its capacity as a CREST receiving agent, which is RA10;
- (e) the member account ID of the Receiving Agent in its capacity as escrow agent, which is 21343ZEG;
- (f) the corporate action ISIN in respect of the Shares, which is GB00BVGBY890;

- (g) the intended settlement date. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on 5 October 2021;
- (h) the contact name and telephone number inserted in the shared note field;
- (i) the corporate action number for the Non-US Tender Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- (j) input with a standard delivery instruction priority of 80.

The Company and/or Canaccord will make an appropriate announcement through a Regulatory Information Service if any of the details contained in this paragraph relating to settlement in CREST are materially altered.

3.5 Deposits of Shares into, and withdrawals of Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form or *vice versa* during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Non-US Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 5 October 2021.

3.6 Validity of tenders

3.6.1 Non-US Tender Forms

Canaccord reserves the right (with the agreement of the Company) to treat as valid only Non-US Tender Forms which are received entirely in order by 1.00 p.m. on 5 October 2021 and which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof in respect of the entire number of Shares tendered.

3.6.2 Validity of Electronic tenders

A Non-US Tender Form which is received in respect of Shares held in uncertificated form will not constitute a valid tender and will be disregarded. Shareholders holding Shares in uncertificated form who wish to tender such shares should note that a TTE Instruction will be a valid tender as at 5 October 2021, only if it has settled on or before 1.00 p.m. on that date.

An appropriate announcement will be made through a Regulatory Information Service if any of the details contained in this paragraph 3.6 are altered.

3.6.3 General

Notwithstanding the completion of a valid Non-US Tender Form or settlement of a TTE Instruction, as applicable, the Non-US Tender Offer may be terminated or lapse in accordance with the conditions set out above.

The decision of Canaccord as to which Shares have been validly tendered shall be conclusive and binding on all Shareholders.

If you are in any doubt as to how to complete the Non-US Tender Form or as to the procedure for making an electronic tender please contact the Receiving Agent, Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, or on the Shareholder Helpline. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.

3.6.4 Shareholder helpline details

Please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday

excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4. EFFECT OF TENDER

4.1 Non-US Tender Forms

Each Non-US Shareholder by whom or, as applicable, on whose behalf, a Non-US Tender Form is executed and lodged, including a Non-US Tender Form which is treated by Canaccord as valid, irrevocably undertakes, represents, warrants and agrees to and with Canaccord (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- 4.1.1 the execution of the Non-US Tender Form shall constitute an offer to Canaccord to sell to it such number of certificated Shares as indicated in that Non-US Tender Form, in each case on and subject to the terms and conditions set out or referred to in this Circular and the Non-US Tender Form
- 4.1.2 Non-US Tender Forms once duly completed and submitted to the Receiving Agent may be withdrawn at any time up to the closing date of the Tender Offer, which will be 1.00 p.m. on 5 October 2021 and thereafter will be irrevocable.
- 4.1.3 such execution and lodgement, shall, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Company and/or Receiving Agent as such Non-US Shareholder's attorney and/or agent ("**Attorney**"), and an irrevocable instruction to the Attorney to:
 - (a) complete and execute any and all instruments of transfer and/or other documents or forms and take any and all actions which are necessary, in such Attorney's absolute discretion, in relation to the Shares referred to in sub-paragraph 4.1.1 above in favour of Canaccord or such other person or persons as Canaccord may direct; and
 - (b) deliver such instrument(s) of transfer and/or other document(s) or form(s) at the discretion of the Attorney, together with the share certificate(s) and/or other document(s) of title relating to such Shares, for registration within six months of the Non-US Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the Non-US Tender Offer and to vest in Canaccord or its nominee(s) or such other person(s) as Canaccord may direct such Shares;
- 4.1.4 such Non-US Shareholder holding Shares in certificated form will deliver to the Receiving Agent his share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph 4.1.1 above, or an indemnity acceptable to Canaccord in lieu thereof, or will procure the delivery of such document(s) to such person(s) as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 5 October 2021;
- 4.1.5 the provisions of the Non-US Tender Form shall be deemed to be incorporated into the terms and conditions of the Non-US Tender Offer;
- 4.1.6 the despatch of a cheque to a Non-US Shareholder as referred to in paragraph 5 of this Part IV headed "Settlement", will discharge fully any obligation of Canaccord to pay such Non-US Shareholder the consideration to which he is entitled under the Non-US Tender Offer;
- 4.1.7 on execution a Non-US Tender Form takes effect as a deed; and
- 4.1.8 the execution of the Non-US Tender Offer shall constitute a submission by the Non-US Shareholder to all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Non-US Tender Offer and the Non-US Tender Form, whether contractual or non-contractual, being governed by, and construed in accordance with, the laws of England and Wales and the delivery of a Tender Form will constitute submission to the jurisdiction of the courts of England and Wales.

A reference in this paragraph to a Non-US Shareholder includes a reference to the person or persons executing a Non-US Tender Form and in the event of more than one person executing a Non-US Tender Form, the provisions of this paragraph will apply to them jointly and severally.

4.2 Electronic tenders

Each Non-US Shareholder by whom, or on whose behalf, a TTE Instruction which is treated by Canaccord as valid and made irrevocably undertakes, represents, warrants and agrees to and with Canaccord and the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- 4.2.1 the input of the TTE Instruction shall constitute an offer to sell to Canaccord such number of Shares as are specified in the TTE Instruction, in each case, on and subject to the terms and conditions set out or referred to in this Circular and the TTE Instruction
- 4.2.2 TTE Instructions which have settled may be withdrawn at any time up to the closing date of the Tender Offer, which will be 1.00 p.m. on 5 October 2021 and thereafter will be irrevocable;
- 4.2.3 the input of the TTE Instruction, will, subject to the Non-US Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Company and/or Receiving Agent as such Non-US Shareholder's agent ("Agent"), and an irrevocable instruction and authority to the Agent to complete and execute all or any instrument(s) of transfer and/or other document(s) or input any instructions into Euroclear at the Agent's discretion in relation to the Shares referred to in sub-paragraph 4.2.1 above in favour of Canaccord or such other person or persons as Canaccord may direct and to deliver any documents or input any instructions into Euroclear relating to such Shares, for registration within six months of the Non-US Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such Agent be necessary or expedient for the purpose of, or in connection with, the Non-US Tender Offer and to vest in Canaccord or its nominee(s) or such other person(s) as Canaccord may direct, such Shares;
- 4.2.4 if, for any reason, any Shares in respect of which a TTE Instruction has been made are prior to 1.00 p.m. on 5 October 2021, converted into certificated form, the electronic tender in respect of such Shares shall cease to be valid and the Non-US Shareholder will need to comply with the procedures for tendering Shares in certificated form as set out in this Part IV in respect of the Shares so converted, if the Non-US Shareholder wishes to make a valid tender of such Shares pursuant to the Non-US Tender Offer;
- 4.2.5 the creation of a payment obligation in favour of such Non-US Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 of this Part IV headed "Settlement" will discharge fully any obligation of Canaccord to pay to such Non-US Shareholder the consideration to which he is entitled under the Non-US Tender Offer; and
- 4.2.6 the input of a TTE Instruction in CREST shall constitute a submission by the Non-US Shareholder to all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Non-US Tender Offer and the TTE Instruction, whether contractual or non-contractual, being governed by, and construed in accordance with, the laws of England and Wales and the input of a TTE Instruction in CREST will constitute submission to the jurisdiction of the courts of England and Wales.

4.3 General tendering provisions

Each Qualifying Shareholder who submits a tender pursuant to the Non-US Tender Offer irrevocably undertakes, represents, warrants and agrees to and with Canaccord and the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- 4.3.1 such Shareholder has observed the laws of all relevant jurisdictions, obtained any requisite consents and complied with all applicable formalities, that the invitation under the Non-US Tender Offer may be made to him under the laws of the relevant jurisdictions, and has not taken or omitted to take any action which would otherwise result in Canaccord or the Company acting in breach of any applicable legal or regulatory requirement in respect of the purchase by Canaccord of the Shares tendered by him under the Non-US Tender Offer and the associated Repurchase;
- 4.3.2 such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Canaccord to be desirable, in each case in order to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;

- 4.3.3 if the appointment of Attorney/Agent provision under sub-paragraph 4.1.3 or 4.2.2 (as applicable) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of the Company or Canaccord or the Receiving Agent the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable the Company and/or Canaccord and/or the Receiving Agent to secure the full benefits of sub-paragraph 4.1.3 or 4.2.2 (as applicable) above;
- 4.3.4 such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Canaccord, Canaccord will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, including the right to receive all dividends and other distributions declared, paid or made after that date;
- 4.3.5 such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Canaccord and/or the Receiving Agent or any of their respective directors or officers or any person nominated by Canaccord or the Receiving Agent or any of their respective directors or officers in the proper exercise of their respective powers and/or authorities hereunder; and
- 4.3.6 such Shareholder has not received or sent copies or originals of the Non-US Tender Form in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the Non-US Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of a Restricted Jurisdiction at the time of the input of and settlement of the relevant TTE Instruction, that the TTE Instruction has not been sent from a Restricted Jurisdiction and such Shareholder is accepting the Non-US Tender Offer from outside a Restricted Jurisdiction.

Each Shareholder to which paragraphs 4.1 or 4.2 apply hereby consents to the assignment by Canaccord of all such benefits as Canaccord may have in any covenants, representations and warranties in respect of the Shares which are successfully tendered under the Non-US Tender Offer.

5. SETTLEMENT

Settlement of the consideration to which any Non-US Shareholder is entitled pursuant to valid tenders accepted by Canaccord will be made by the dispatch of cheques or the creation of CREST payment obligations as follows:

5.1 *Shares in certificated form*

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched by the Receiving Agent (on behalf of Canaccord) by 14 October 2021 by first class post to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in section 1A or section 6 of the Non-US Tender Form or, if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the registered address of the first named Shareholder at the risk of the persons entitled thereto. All payments will be made in pounds sterling by cheque, drawn on a branch of a UK clearing bank.

5.2 *Shares in uncertificated form*

Where an accepted tender relates to Shares held by Non-US Shareholders in uncertificated form, the consideration due will be paid by 14 October 2021 through CREST by the Receiving Agent (on behalf of Canaccord) procuring the creation of a payment obligation in favour of the payment banks of accepting Shareholders in accordance with the CREST payment arrangements.

6. OVERSEAS SHAREHOLDERS

- 6.1 Overseas Shareholders should inform themselves about and observe any applicable or legal regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.

6.2 The making of the Non-US Tender Offer in, or to persons resident in, jurisdictions outside the United Kingdom, Spain or to persons who are citizens, residents or nationals of other countries may be affected by the laws of the relevant jurisdiction. Shareholders who are not resident in the United Kingdom, Spain, or who are citizens, residents or nationals of countries outside the United Kingdom and Spain should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to take up the Non-US Tender Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction.

Each Overseas Shareholder will be responsible for any such transfer or other taxes or other requisite payments by whomsoever payable and the Company, Receiving Agent and Canaccord and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder on an after-tax basis for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Non-US Tender Offer or to authorise the extending of the Non-US Tender Offer or the distribution of the Non-US Tender Form in any territory outside the United Kingdom other than Spain.

6.3 In particular, the Non-US Tender Offer is not being made directly or indirectly in, into or from or by use of the mail or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of a Restricted Jurisdiction and the Non-US Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction.

Accordingly, copies of the Non-US Tender Form are not being and must not be mailed or otherwise distributed or sent in, into, or from a Restricted Jurisdiction, including to Shareholders with registered addresses in a Restricted Jurisdiction, or to persons who are custodians, nominees or trustees holding Shares for persons in a Restricted Jurisdiction.

6.4 If, in connection with making the Non-US Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards the Non-US Tender Form in, into or from a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange, of a Restricted Jurisdiction in connection with such forwarding, such persons should:

6.4.1 inform the recipient of such fact;

6.4.2 explain to the recipient that such action may invalidate any purported acceptance of the Non-US Tender Offer by the recipient; and

6.4.3 draw the attention of the recipient to this section of this Circular.

6.5 The provisions of this paragraph and/or any other terms of the Non-US Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Canaccord and the Company in their discretion, but only if Canaccord and the Company are each satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other law. Subject to this, the provisions of this paragraph headed "Overseas Shareholders" supersede any terms of the Non-US Tender Offer inconsistent therewith.

6.6 References to a Shareholder shall include references to the persons executing a Non-US Tender Form and in the event of more than one person executing Non-US Tender Forms, the provisions of this paragraph shall apply to them jointly and severally.

B. TERMS AND CONDITIONS OF THE US TENDER OFFER

1. INTRODUCTION

US Shareholders who are (i) on the Register on the Record Date and (ii) both QIBs and QPs (“**Qualifying US Shareholders**”) are being invited to tender all, or part, of their Basic Tender Offer Entitlement of their Shares for purchase by the Company on the terms and subject to the conditions set out in this Circular and, in the case of certificated Shares, in the US Tender Form. US Shareholders who are a Qualifying US Shareholder will also be entitled to sell more Shares than their Basic Tender Offer Entitlement, but only to the extent to which other Shareholders tender less than their aggregate Basic Tender Offer Entitlement.

Shareholders who do not wish to participate in the US Tender Offer need take no action. The rights of Shareholders who choose not to tender their Shares will be unaffected.

2. TERMS OF THE US TENDER OFFER

2.1 The US Tender Offer is conditional upon the following (together the “**US Tender Conditions**”):

2.1.1 the Tender Offer Resolution being passed by the requisite majority of Shareholders at the General Meeting;

2.1.2 the Capital Reduction becoming effective and the post-Capital Reduction interim accounts of the Company being filed at Companies House;

2.1.3 the Directors not having concluded that the implementation of the Tender Offer is no longer in the best interests of the Company and/or Shareholders as a whole; and

2.1.4 the Company not becoming aware that an approach or offer (each having the same meaning as in the Takeover Code) has been or will be made for the Company.

The Company will not purchase the Shares pursuant to the US Tender Offer unless all the Tender Conditions have been satisfied. If any of the above conditions are not satisfied or waived (as applicable) by 6.00 p.m. on 5 October 2021 (or such later time and date as determined by the Company), the US Tender Offer will lapse.

2.2 All Shares tendered by US Shareholders who are Qualifying US Shareholders under the US Tender Offer must be tendered at the Tender Price.

2.3 The maximum number of Shares that could be purchased under the US Tender Offer will be 214,532,103 (equivalent to approximately 97.97 per cent. of the issued share capital of the Company which, as at 12 August 2021 (being the latest practicable date prior to the publication of this Circular), was 218,970,076 Shares).

2.4 The US Tender Offer is available only to US Shareholders who are Qualifying US Shareholders on the Register on the Record Date.

2.5 US Tender Forms (for Shares held in certificated form) once duly completed and submitted to the Receiving Agent and TTE Instructions which have settled (for Shares held in uncertificated form) may be withdrawn at any time up to the closing date of the Tender Offer, which will be 1.00 p.m. on 5 October 2021 and thereafter will be irrevocable.

2.6 All questions as to the validity (including time of receipt) of tenders will be determined by the Company, which determination shall be final and binding (except as otherwise required under applicable law). None of the Company, the Receiving Agent or any other person is or will be obliged to give notice of any defects or irregularities and none of them will incur any liability for failure to give such notice.

2.7 The US Tender Offer will close at 1.00 p.m. on 5 October 2021 and no tenders received after that time will be accepted unless otherwise approved by the Company.

2.8 Shares successfully tendered under the US Tender Offer will be sold to the Company fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same and will subsequently be cancelled.

2.9 All tenders of Shares held in certificated form must be made on the accompanying US Tender Form, duly completed in accordance with the instructions set out below and on the US Tender Form, as applicable (which constitute part of the terms of the US Tender Offer). Such tenders will be valid only when the procedures contained in this Circular and in the US Tender Form are complied with.

- 2.10 All tenders of Shares held in uncertificated form (that is, in CREST) must be made by the input and settlement of an appropriate TTE Instruction in CREST in accordance with the instructions set out below and the relevant procedures in the CREST manual which together constitute part of the terms of the US Tender Offer. Such tenders will be valid only when the procedures contained in this Section B of Part IV of the Circular and in the relevant parts of the CREST Manual are complied with.
- 2.11 The US Tender Offer and all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the US Tender Offer and the US Tender Form or the input of a TTE Instruction in CREST, whether contractual or non-contractual, will be governed by, and construed in accordance with, the laws of England and Wales and the delivery of a US Tender Form or the input of a TTE Instruction in CREST, as applicable, will constitute submission to the jurisdiction of the courts of England and Wales.
- 2.12 The results of the US Tender Offer are expected to be announced on 6 October 2021.
- 2.13 All documents and remittances sent by or to US Shareholders and all instructions made by or on behalf of a Qualifying US Shareholder in CREST relating to the US Tender Offer will be sent or made (as the case may be) at the risk of the sender or maker. If the US Tender Offer does not become unconditional, or does not proceed, and lapses, in respect of Shares held in certificated form, US Tender Forms, share certificates and other documents of title will be returned by post to Qualifying US Shareholders at their risk, or, in respect of Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow by TTE Instruction to the original available balances to which those Shares relate, in each case not later than ten Business Days after the date of such lapse.
- 2.14 Further copies of the US Tender Form may be obtained on request from the Receiving Agent. Please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- 2.15 Under the US Tender Offer and subject to the terms and conditions set out in this Section B Part IV, and (where relevant) the US Tender Form, US Shareholders who are Qualifying US Shareholders will be entitled to sell to the Company their Shares.
- 2.16 If a US Shareholder who is a Qualifying US Shareholder validly tenders a number of Shares which is equal to or less than their Basic Tender Offer Entitlement, the tender will be satisfied in full (subject to (i) the US Tender Offer not being terminated or lapsing prior to its completion; and (ii) satisfaction of the other terms and conditions set out in this Part IV and (where relevant) the US Tender Form).
- 2.17 US Shareholders who are a Qualifying US Shareholder will also be entitled to sell more Shares than their Basic Tender Offer Entitlement, but only to the extent to which other Shareholders tender less than their aggregate Basic Tender Offer Entitlement. In these circumstances, subject to any scaling back required in order to ensure that the number of Shares purchased under the Tender Offer does not exceed 214,532,103, the excess portion of any tenders will be satisfied *pro rata* and in proportion to the aggregate number of Shares validly tendered by Shareholders in excess of their Basic Tender Offer Entitlement (rounded down to the nearest whole number of Shares). To the extent there is insufficient headroom to satisfy all excess applications, the excess portion of any tenders will be scaled back *pro rata* and in proportion to the aggregate excess applications.
- 2.18 The Basic Tender Offer Entitlement will apply to each registered US Shareholder. Registered US Shareholders who hold Shares for multiple beneficial owners may decide the allocation between such beneficial owners at their own discretion.
- 2.19 All Shares successfully tendered pursuant to the US Tender Offer will be purchased by the Company (or an agent on behalf of the Company) by way of an on-market transaction on the London Stock Exchange, at the Tender Price. As the Tender Price is a not in a whole number of pence, the aggregate Tender Price for all of the Shares you successfully tender may include a fraction of a penny. Such fractions will be rounded down and not paid to you.

- 2.20 All questions as to the number of Shares tendered and the validity, form, eligibility (including the time of receipt) and rejection of any tender of Shares under the US Tender Offer will be determined by the Company, which determination shall be final and binding on all parties except as otherwise required under applicable law. Notwithstanding the foregoing, the Company reserves the absolute right to reject any or all tenders it determines not to be in proper form or where the payment for which may, in the Company's opinion, be unlawful. Unless the Company determines otherwise, no tender of Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the US Tender Offer will not be despatched (in respect of Shares in certificated form) or made by way of CREST payment (in respect of Shares in uncertificated form) to the relevant Qualifying US Shareholder until after (in the case of Shares in certificated form) the US Tender Form is complete in all respects and the share certificate(s) and/or other document(s) of title satisfactory to the Company have been received or (in the case of Shares in uncertificated form) the relevant TTE Instruction has settled. None of the Receiving Agent, the Company or any other person is or will be obliged to give notice of any defects or irregularities in any tender and none of them will incur any liability for failure to give any such notice.
- 2.21 Shares will be purchased under the US Tender Offer free of all commissions and dealing charges save if you own your Shares through a bank, broker, dealer, trust company or other nominee and such nominee tenders your Shares on your behalf, in which case such nominee may charge you a fee for doing so. You should consult with your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.
- 2.22 The failure of any person to receive a copy of this Circular or the US Tender Form shall not invalidate any aspect of the US Tender Offer.
- 2.23 The terms of the US Tender Offer shall have effect subject to such non-material modifications as the Company may from time to time approve in writing. The times and dates referred to in this Circular may be amended by the Company.

3. PROCEDURE FOR TENDERING

3.1 *Different procedures for certificated and uncertificated Shares*

If you hold Shares in certificated form, you may tender such Shares only by completing and returning the US Tender Form in accordance with the instructions printed thereon and set out in paragraph 3.2 below. If you hold Shares in certificated form, but under different designations, you should complete a separate US Tender Form for each designation. Additional copies of the US Tender Form can be obtained from the Receiving Agent or by calling the Shareholder Helpline, details of which are set out in paragraph 3.3 below.

If you hold Shares in uncertificated form (that is, in CREST) you may tender such Shares only by TTE Instruction in accordance with the procedure set out in paragraph 3.4 below and, if those Shares are held under different member account IDs, you should send a separate TTE Instruction for each member account ID.

3.2 *Shares held in certificated form (that is, not in CREST)*

To participate in the US Tender Offer, US Shareholders who are Qualifying US Shareholders holding Shares in certificated form must complete, sign, have witnessed and return the US Tender Form in accordance with these instructions and the instructions on the US Tender Form.

Completed, signed and witnessed US Tender Forms, together with the relevant valid share certificate(s) and/or other document(s) of title, should be sent either by post in the accompanying reply-paid envelope (for use in the UK only) or (during normal business hours only) delivered by hand to the Receiving Agent, Link Group, Corporate Actions, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 5 October 2021. Tenders received after that time will be accepted only at the sole discretion of the Company.

Duly completed US Tender Forms sent by any of the means set out above and received signed and complete in all respects by the prescribed time will be treated as tenders of Shares in accordance with the terms and conditions of the US Tender Offer. No acknowledgement of receipt of documents will be given.

The completed and signed US Tender Form should be accompanied, where possible, by the relevant share certificate(s) and/or other document(s) of title.

If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the US Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent, Link Group, Corporate Actions, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by no later than 1.00 p.m. on 5 October 2021, together with any share certificate(s) and/or document(s) of title that you may have available.

In respect of those Shares for which your share certificate(s) and/or other document(s) of title is/are unavailable and you have been sent a US Tender Form, a letter of indemnity can be obtained by writing to Link Group or contacting them on the Shareholder Helpline (the details of which are set out in paragraph 3.3 below). If a separate letter of indemnity is completed, this should be returned with the Tender Form as described above so as to be received by the Receiving Agent, Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by no later than 1.00 p.m. on 5 October 2021. A fee may be payable by the Qualifying US Shareholder in respect of each letter of indemnity.

Where you have completed and returned a letter of indemnity in respect of unavailable share certificate(s) and/or other document(s) of title and you subsequently find or obtain the relevant share certificate(s) and/or other document(s) of title, you should immediately send the certificate(s) and/or other document(s) of title by post or (during normal business hours only) by hand to the Receiving Agent, Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

3.3 If you are in any doubt as to the procedure for participating in the US Tender Offer, please contact Link Group, Corporate Actions on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

By signing and returning a US Tender Form, you will be deemed to have appointed the Company or any agent acting on its behalf as your agent in respect of the tender process. The Company (or an agent acting on its behalf) will therefore issue a contract note on behalf of all Qualifying US Shareholders whose Shares are so purchased under the US Tender Offer and will remit the cash consideration to Link Group with instructions that such consideration be remitted to the Qualifying US Shareholders entitled thereto in accordance with the instructions set out on their respective US Tender Forms.

3.4 Shares held in uncertificated form (that is, in CREST)

If your Shares are in uncertificated form, to tender such shares under the US Tender Offer you should take (or procure the taking of) the action set out below to transfer (by means of a TTE Instruction) the number of Shares you wish to tender under the US Tender Offer to the relevant escrow account specifying Link Group (in its capacity as a CREST participant under the relevant Participant ID(s) and member account ID(s) referred to below) as the escrow agent, as soon as possible and in any event so that the TTE Instruction settles by no later than 1.00 p.m. on 5 October 2021. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure you time the input of any TTE Instructions accordingly.

The input and settlement of a TTE Instruction in accordance with this paragraph shall constitute an offer to the Company to sell to it the number of Shares as represent your Basic Tender Offer Entitlement or, if relevant, the number of Shares inserted in Box 3B of the Tender Form at the Tender Price by transferring such Shares to the relevant escrow account as detailed below.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your Participant ID and the member account ID under which your Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which you wish to tender. The Corporate Action Number is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST.

After settlement of the TTE Instruction, you will not be able to access in CREST the Shares concerned for any transaction or charging purposes, notwithstanding that they will be held by Link Group, Corporate Actions as the escrow agent until completion or lapse of the US Tender Offer. If the US Tender Offer becomes unconditional by 6.00 p.m. on 5 October 2021, or such later time and date as determined by the Company, Link Group, Corporate Actions will transfer the successfully tendered Shares to itself as the agent of the Company, transferring any Shares not successfully tendered to the original available balances to which those Shares relate.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined below. You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Shares to settle prior to 1.00 p.m. on 5 October 2021. In this connection you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

3.4.1 *Electronic tenders*

To tender Shares in uncertificated form you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear in relation to such Shares.

The TTE Instruction must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- (a) the number of Shares which you wish to tender and to be transferred to the relevant escrow account;
- (b) your member account ID;
- (c) your Participant ID;
- (d) the Participant ID of Link Group, in its capacity as a CREST receiving agent, which is RA10;
- (e) the member account ID of the Receiving Agent in its capacity as escrow agent, which is 21343ZEG;
- (f) the corporate action ISIN in respect of the Shares, which is GB00BVGBY890;
- (g) the intended settlement date. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on 5 October 2021;
- (h) the contact name and telephone number inserted in the shared note field;
- (i) the corporate action number for the US Tender Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- (j) input with a standard delivery instruction priority of 80.

The Company will make an appropriate announcement through a Regulatory Information Service if any of the details contained in this paragraph relating to settlement in CREST are materially altered.

3.5 *Deposits of Shares into, and withdrawals of Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form or vice versa during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the US Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 5 October 2021.

3.6 Validity of tenders

3.6.1 US Tender Forms

The Company reserves the right to treat as valid only US Tender Forms which are received entirely in order by 1.00 p.m. on 5 October 2021 and which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof in respect of the entire number of Shares tendered.

3.6.2 Validity of Electronic tenders

A US Tender Form which is received in respect of Shares held in uncertificated form will not constitute a valid tender and will be disregarded. Shareholders holding Shares in uncertificated form who wish to tender such shares should note that a TTE Instruction will be a valid tender as at 5 October 2021, only if it has settled on or before 1.00 p.m. on that date.

An appropriate announcement will be made through a Regulatory Information Service if any of the details contained in this paragraph 3.6 are altered.

3.6.3 General

Notwithstanding the completion of a valid US Tender Form or settlement of a TTE Instruction, as applicable, the US Tender Offer may be terminated or lapse in accordance with the conditions set out above.

The decision of the Company as to which Shares have been validly tendered shall be conclusive and binding on all US Shareholders.

If you are in any doubt as to how to complete the US Tender Form or as to the procedure for making an electronic tender please contact the Receiving Agent, Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, or on the Shareholder Helpline. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.

3.6.4 Shareholder helpline details

Please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4. EFFECT OF TENDER

4.1 US Tender Forms

Each US Shareholder who is a Qualifying US Shareholder by whom or, as applicable, on whose behalf, a US Tender Form is executed and lodged, including a US Tender Form which is treated by the Company as valid, irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

4.1.1 the execution of the US Tender Form shall constitute an offer to the Company to sell to it such number of certificated Shares as represent your Basic Tender Offer Entitlement or, if relevant, the number of Shares inserted in Box 3B of the Tender Form, in each case on and subject to the terms and conditions set out or referred to in this Circular and the US Tender Form;

4.1.2 US Tender Forms once duly completed and submitted to the Receiving Agent may be withdrawn at any time up to the closing date of the Tender Offer, which will be 1.00 p.m. on 5 October 2021 and thereafter will be irrevocable;

- 4.1.3 such execution and lodgement, shall, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Company as such Qualifying US Shareholder's attorney and/or agent ("**Attorney**"), and an irrevocable instruction to the Attorney to:
- (a) complete and execute any and all instruments of transfer and/or other documents or forms and take any and all actions which are necessary, in such Attorney's absolute discretion, in relation to the Shares referred to in sub-paragraph 4.1.1 above in favour of the Company or such other person or persons as the Company may direct; and
 - (b) deliver such instrument(s) of transfer and/or other document(s) or form(s) at the discretion of the Attorney, together with the share certificate(s) and/or other document(s) of title relating to such Shares, for registration within six months of the US Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the US Tender Offer and to vest in the Company or its nominee(s) or such other person(s) as the Company may direct such Shares;
- 4.1.4 such Qualifying US Shareholder holding Shares in certificated form will deliver to the Receiving Agent his share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph 4.1.1 above, or an indemnity acceptable to the Company in lieu thereof, or will procure the delivery of such document(s) to such person(s) as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 5 October 2021;
- 4.1.5 the provisions of the US Tender Form shall be deemed to be incorporated into the terms and conditions of the US Tender Offer;
- 4.1.6 the despatch of a cheque to a Qualifying US Shareholder as referred to in paragraph 5 of this Part IV headed "Settlement", will discharge fully any obligation of the Company to pay such Qualifying US Shareholder the consideration to which he is entitled under the US Tender Offer;
- 4.1.7 on execution a US Tender Form takes effect as a deed; and
- 4.1.8 the execution of the US Tender Offer shall constitute a submission by the Qualifying US Shareholder to all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the US Tender Offer and the US Tender Form, whether contractual or non-contractual, being governed by, and construed in accordance with, the laws of England and Wales and the delivery of a Tender Form will constitute submission to the jurisdiction of the courts of England and Wales.

A reference in this paragraph to a Qualifying US Shareholder includes a reference to the person or persons executing a US Tender Form and in the event of more than one person executing a US Tender Form, the provisions of this paragraph will apply to them jointly and severally.

4.2 Electronic tenders

Each US Shareholder who is a Qualifying US Shareholder and by whom, or on whose behalf, a TTE Instruction which is treated by the Company as valid and made irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- 4.2.1 the input of the TTE Instruction shall constitute an offer to sell to the Company such number of Shares as are specified in the TTE Instruction, in each case, on and subject to the terms and conditions set out or referred to in this Circular and the TTE Instruction;
- 4.2.2 TTE Instructions which have settled may be withdrawn at any time up to the closing date of the Tender Offer, which will be 1.00 p.m. on 5 October 2021 and thereafter will be irrevocable;
- 4.2.3 the input of the TTE Instruction, will, subject to the US Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Receiving Agent as such Qualifying US Shareholder's agent ("**Agent**"), and an irrevocable instruction and authority to the Agent to complete and execute all or any instrument(s) of transfer and/or other document(s) or input any instructions into Euroclear at the Agent's discretion in relation to the Shares referred to in sub-paragraph 4.2.1 above in favour of the Company or such other person or persons as the Company may direct and to deliver any documents or input any

instructions into Euroclear relating to such Shares, for registration within six months of the US Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such Agent be necessary or expedient for the purpose of, or in connection with, the US Tender Offer and to vest in the Company or its nominee(s) or such other person(s) as the Company may direct, such Shares;

- 4.2.4 if, for any reason, any Shares in respect of which a TTE Instruction has been made are prior to 1.00 p.m. on 5 October 2021, converted into certificated form, the electronic tender in respect of such Shares shall cease to be valid and the Qualifying US Shareholder will need to comply with the procedures for tendering Shares in certificated form as set out in this Part IV in respect of the Shares so converted, if the Qualifying US Shareholder wishes to make a valid tender of such Shares pursuant to the US Tender Offer;
- 4.2.5 the creation of a payment obligation in favour of such Qualifying US Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 of this Part IV headed "Settlement" will discharge fully any obligation of the Company to pay to such Qualifying US Shareholder the consideration to which he is entitled under the US Tender Offer; and
- 4.2.6 the input of a TTE Instruction in CREST shall constitute a submission by the Qualifying US Shareholder to all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the US Tender Offer and the TTE Instruction, whether contractual or non-contractual, being governed by, and construed in accordance with, the laws of England and Wales and the input of a TTE Instruction in CREST will constitute submission to the jurisdiction of the courts of England and Wales.

4.3 General tendering provisions

Each Qualifying US Shareholder who submits a tender pursuant to the US Tender Offer irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- 4.3.1 Such US Shareholder is both a QIB and a QP;
- 4.3.2 such US Shareholder has observed the laws of all relevant jurisdictions, obtained any requisite consents and complied with all applicable formalities, that the invitation under the US Tender Offer may be made to him under the laws of the relevant jurisdictions, and has not taken or omitted to take any action which would otherwise result in the Company acting in breach of any applicable legal or regulatory requirement in respect of the purchase by the Company of the Shares tendered by him under the US Tender Offer;
- 4.3.3 such US Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable, in each case in order to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 4.3.4 if the appointment of Attorney/Agent provision under sub-paragraph 4.1.3 or 4.2.2 (as applicable) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of the Company or the Receiving Agent the benefit or authority expressed to be given therein, the US Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable the Company and/or the Receiving Agent to secure the full benefits of sub- paragraph 4.1.3 or 4.2.2 (as applicable) above;
- 4.3.5 such US Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by the Company, the Company will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, including the right to receive all dividends and other distributions declared, paid or made after that date;

4.3.6 such US Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by the Company and/or the Receiving Agent or any of their respective directors or officers or any person nominated by the Company or the Receiving Agent or any of their respective directors or officers in the proper exercise of their respective powers and/or authorities hereunder; and

4.3.7 such US Shareholder has not received or sent copies or originals of the US Tender Form in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the US Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of a Restricted Jurisdiction at the time of the input of and settlement of the relevant TTE Instruction, that the TTE Instruction has not been sent from a Restricted Jurisdiction and such Shareholder is accepting the US Tender Offer from outside a Restricted Jurisdiction.

Each Shareholder to which paragraphs 4.1 or 4.2 apply hereby consents to the assignment by the Company of all such benefits as the Company may have in any covenants, representations and warranties in respect of the Shares which are successfully tendered under the US Tender Offer.

5. SETTLEMENT

Settlement of the consideration to which any Qualifying US Shareholder is entitled pursuant to valid tenders accepted by the Company will be made by the dispatch of cheques or the creation of CREST payment obligations as follows:

5.1 *Shares in certificated form*

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched by the Receiving Agent (on behalf of the Company) by 14 October 2021 by first class post to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in section 1A or section 6 of the US Tender Form or, if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the registered address of the first named Shareholder at the risk of the persons entitled thereto. All payments will be made in pounds sterling by cheque, drawn on a branch of a UK clearing bank.

5.2 *Shares in uncertificated form*

Where an accepted tender relates to Shares held by Qualifying US Shareholders in uncertificated form, the consideration due will be paid by 14 October 2021 through CREST by the Receiving Agent (on behalf of the Company) procuring the creation of a payment obligation in favour of the payment banks of accepting Shareholders in accordance with the CREST payment arrangements.

PART V

TAXATION

1. UNITED KINGDOM

The following comments do not constitute tax advice and are intended only as a guide to current United Kingdom law and H.M. Revenue & Customs' published practice (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the United Kingdom tax treatment of Shareholders who are resident in the United Kingdom for United Kingdom tax purposes, who are, and will be, the beneficial owners of their Shares and who hold, and will hold, their Shares as investments (and not as assets to be realised in the course of a trade, profession or vocation). They may not relate to certain Shareholders, such as dealers in securities or Shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment.

Shareholders are advised to take independent advice in relation to the tax implications for them of selling Shares pursuant to the Tender Offer.

1.1 *Taxation of chargeable gains*

Individuals

The sale of Shares by a Shareholder to Canaccord pursuant to the Non-US Tender Offer should be treated as a disposal of those shares giving rise solely to capital proceeds for United Kingdom tax purposes. This may, subject to the Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of chargeable gains ("CGT").

The amount of CGT payable by a Shareholder who is an individual as a consequence of the sale of Shares, if any, will depend on his or her own personal tax position. Broadly, a Shareholder whose total taxable gains and income in a given tax year, including any gains made on the sale of Shares ("Total Taxable Gains and Income"), are less than or equal to the upper limit of the income tax basic rate band applicable in respect of that tax year (the "**Band Limit**") (£37,700 for 2021/2022) will normally be subject to CGT at a rate of 10 per cent. in respect of any gain arising on the sale of his or her Shares. A Shareholder whose Total Taxable Gains and Income are more than the Band Limit will normally be subject to CGT at a rate of 10 per cent. in respect of any gain arising on the sale of his or her Shares (to the extent that, when added to the Shareholder's other taxable gains and income, the gain is less than or equal to the Band Limit) and at a rate of 20 per cent. in respect of the remainder of the gain arising on the sale of his or her Shares. However, no tax will be payable on any gain arising on the sale of Shares if the amount of the chargeable gain realised by a Shareholder in respect of the sale, when aggregated with other chargeable gains realised by that Shareholder in the year of assessment (and after taking into account aggregate losses), does not exceed the annual exemption (£12,300 for 2021/2022).

Corporate Shareholders

A corporate Shareholder is normally taxable on all of its chargeable gains, subject to any reliefs and exemptions. Corporate Shareholders may be entitled to indexation allowance up to and including 31 December 2017.

1.2 *Transactions in securities*

Under the provisions of Part 15 of the Corporation Tax Act 2010, H.M. Revenue & Customs can in certain circumstances counteract corporation tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by H.M. Revenue & Customs to the Tender Offer, Shareholders who are subject to corporation tax might be liable to corporation tax as if they had received an income amount rather than a capital amount.

These rules apply only in certain circumstances and do not apply where it can be shown that the transaction in question was entered into for genuine commercial reasons or in the ordinary course of making or managing investments and did not involve as one of its main objects the obtaining of a corporation tax advantage. No application has been made to H.M. Revenue & Customs for clearance in respect of the application of Part 15 of the Corporation Tax Act 2010 to the Tender Offer.

Shareholders who are within the charge to corporation tax are advised to take independent advice as to the potential application of the above provisions in light of their own particular motives and circumstances.

Similar rules exist in Part 13 Income Tax Act 2007 in relation to individuals pursuant to which HMRC can, in certain circumstances, counteract income tax advantages arising in relation to a transaction or transactions in securities. Were these provisions to be successfully invoked against any Shareholder (an individual is not required to apply the provisions under self-assessment), that individual Shareholder would likely be taxed as though the consideration for the sale of their Shares pursuant to the Tender Offer was dividend income rather than a capital receipt. These will only be in point if the Company is a “close company” as defined by the relevant legislation. No application has been made to H.M. Revenue & Customs for clearance in respect of the application of Part 13 Income Tax Act 2007.

Shareholders who are within the charge to income tax are advised to take independent advice as to the potential application of the above provisions in light of their own particular motives and circumstances.

1.3 Stamp duty and stamp duty reserve tax (“SDRT”)

The sale of Shares pursuant to the Tender Offer will not give rise to any liability to stamp duty or SDRT for the selling Shareholder.

However, stamp duty at a rate of 0.5 per cent. on the Shares repurchased, rounded up to the nearest £5 if necessary, will be payable by the Company both on its Repurchase of Shares from Canaccord in connection with the Non-US Tender Offer and on its purchase of Shares from US Shareholders in connection with the US Tender Offer.

2. UNITED STATES

2.1 Introduction

The following is a summary of certain US federal income tax considerations of the tendering of the Shares by a US Shareholder (as defined below) pursuant to the Tender Offer. This summary deals only with beneficial owners of the Shares that are US Shareholders and that hold the Shares as “capital assets” as defined in the U.S. Internal Revenue Code of 1986, as amended (the “Code”). This summary does not address non-US, state or local tax considerations. In addition, this summary does not address all tax considerations applicable to investors that own (directly, indirectly or by attribution) 10 per cent. or more of the Company’s voting power, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under US federal income tax laws (such as financial institutions, insurance companies, regulated investment companies, investors liable for the alternative minimum tax, certain US expatriates, individual retirement accounts and other tax-deferred accounts, real estate investment trusts, partnerships or other pass-through entities, tax-exempt organisations, dealers in securities or currencies, securities traders that elect mark-to-market tax accounting, investors that will hold the Shares as part of constructive sales, straddles, hedging, integrated or conversion transactions for US federal income tax purposes or investors whose “functional currency” is not the US dollar).

For the purposes of this paragraph 2 of Part V of the Circular, the term “US Shareholder” means a beneficial owner of the Shares that is either:

- 2.1.1 an individual citizen or resident of the United States;
- 2.1.2 a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States, any state therein or the District of Columbia; or
- 2.1.3 an estate or trust the income of which is subject to US federal income tax without regard to its source.

If an entity classified as a partnership for US federal income tax purposes holds the Shares, the US federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding the Shares and their partners should consult their tax advisers as to the particular US federal income tax consequences of holding and disposing of the Shares in their particular circumstances.

The Company believes that it historically has not been a “controlled foreign corporation” under the Code, and this summary assumes that the Company currently is not a controlled foreign corporation.

The Company believes that it was a passive foreign investment company (“PFIC”) for its taxable year 2018 and possibly all taxable years since 2018. If the Company was a PFIC for any taxable year during which a US investor held the Shares, such US investor would generally be subject to adverse U.S. federal income tax consequences, including increased tax liability on disposition gains and certain “excess distributions” and annual information reporting requirements. See “*Passive Foreign Investment Company (PFIC) Considerations*” below for further information. **The U.S. federal income tax rules relating to PFICs are very complex. U.S. Shareholders are urged to consult their own tax advisors with respect to the ownership and disposition of the Shares, the consequences to them of an investment in a PFIC, any elections available with respect to shares in a PFIC and the IRS information reporting obligations with respect to the ownership and disposition of the Shares in the event the Company is a PFIC.**

2.2 Exchange of shares pursuant to the Tender Offer

A sale of all or part of the Shares held by a US Shareholder for cash pursuant to the Tender Offer will be a taxable transaction. A US Shareholder that participates in the Tender Offer will be treated either: (i) as recognising gain or loss from the sale of the Shares; or (ii) as receiving a distribution from the Company with respect to the Shares.

2.2.1 Sale or exchange treatment.

A US Shareholder will generally recognise a gain or loss on a sale of Shares for cash if the sale results in a “complete termination” of such US Shareholder’s equity interest in the Company, results in a “substantially disproportionate” redemption with respect to such US Shareholder, or is “not essentially equivalent to a dividend” with respect to the US Shareholder. Each of these tests, referred to herein as the “Section 302 tests”, is explained in more detail below.

Substantially disproportionate test. The sale of a US Shareholder’s Shares pursuant to the Tender Offer generally will result in a “substantially disproportionate” redemption with respect to the US Shareholder if, among other things, the percentage of the then-outstanding Shares that is actually and constructively owned by the US Shareholder after the sale is less than 80 per cent. of the percentage of the Shares that were actually and constructively owned by the US Shareholder prior to the sale.

Not essentially equivalent to a dividend test. The sale of a US Shareholder’s Shares pursuant to the Tender Offer will be treated as “not essentially equivalent to a dividend” if the reduction in the US Shareholder’s proportionate interest in the Company as a result of the sale constitutes a “meaningful reduction” of the US Shareholder’s proportionate interest in the Company, given the US Shareholder’s particular circumstances. In general, the question of whether a US Shareholder’s sale of Shares represents a “meaningful reduction” in the US Shareholder’s proportionate interest will depend on the extent of the US Shareholder’s rights to participate in dividends, to receive proceeds upon a liquidation, and to vote and exercise control prior to the sale and the extent to which such rights are reduced as a result of the sale. Contemporaneous dispositions or acquisitions of stock by a shareholder may be deemed to be part of a single integrated transaction and, if so, may be taken into account in determining whether any of the Section 302 tests are satisfied.

Complete termination test. The sale of a US Shareholder’s Shares pursuant to the Tender Offer will result in a “complete termination” of the US Shareholder’s equity interest in the Company if all of the Shares that are actually owned by the US Shareholder are sold, and all of the Shares that are constructively owned by the US Shareholder, if any, are sold (or, with respect to Shares owned by certain related individuals, the US Shareholder satisfies special conditions set forth in the Code, which, if satisfied, prevents attribution of ownership of certain Shares to the US Shareholder).

In applying each of the Section 302 tests explained above, US Shareholders must take into account not only the Shares that they actually own but also the Shares that they are treated as owning under the constructive ownership rules of the Code. Under the constructive ownership rules, a US Shareholder is treated as owning any Shares that are owned (actually and in some cases constructively) by certain related individuals and entities as well as Shares that the US Shareholder has the right to acquire by exercise of an option or by conversion or exchange of a security. Due to the factual nature of the Section 302 tests, US Shareholders should consult their tax advisors to determine whether the tender of their Shares under the Tender Offer qualifies for sale treatment in their particular circumstances.

If a US Shareholder satisfies any of the Section 302 tests above, the US Shareholder will be treated as recognising gain or loss from the sale of the Shares for cash. Such gain or loss will be equal to the difference between the amount of cash received and such US Shareholder’s tax basis in the Shares

exchanged therefor. Gain or loss must be determined separately for each “block” of Shares (meaning Shares acquired at the same cost in a single transaction) that is sold to the Company by a US Shareholder.

In addition, subject to the PFIC rules discussed below, capital gain of a non-corporate US shareholder generally is taxed at preferential rates where the property is held for more than one year. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes

2.2.2 Distribution Treatment.

If a US Shareholder does not satisfy any of the Section 302 tests described above, the US Shareholder will be treated as receiving a distribution from the Company. Distributions out of current and accumulated earnings and profits will be treated as dividends, distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the US Shareholder’s basis in the Shares and thereafter distributions will be treated as a sale or exchange generating capital gain. The Company does not maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. As a result, US Shareholders should therefore assume, if they do not satisfy any of the Section 302 tests listed above, that any distribution received with respect to the purchase of its Shares under the Tender Offer will constitute ordinary dividend income. To the extent that a purchase of a US Shareholder’s Shares under the Tender Offer is treated as the receipt by the US Shareholder of a dividend, the US Shareholder’s remaining adjusted tax basis in the purchased Shares will be added to the basis of any Shares retained by the US Shareholder. Amounts treated as dividends paid pursuant to the Tender Offer paid in sterling will be included in a US Shareholder’s income in a US dollar amount calculated by reference to the exchange rate in effect on the date the amounts are received by such US Shareholder, regardless of whether the payment is in fact converted into US dollars. If the amounts treated as dividends are converted into US dollars on the date of receipt, a US Shareholder generally should not be required to recognise foreign currency gain or loss in respect of the dividend income.

In addition, if the Company is (or is treated with respect to the US Shareholder as) a “Passive foreign investment company” (described below) in the taxable year in which the dividend was paid or the preceding taxable year the dividend would not be eligible for the preferential tax rate that may apply to dividends paid by a “qualified foreign corporation” to non-corporate US shareholders (qualified dividend income). Because the Company believes that it was a PFIC for the taxable year 2018 and subsequent taxable years, amounts treated as dividends paid in taxable year 2021 will not be eligible for the preferential tax rate regardless of the Company’s PFIC status for taxable year 2021 if the Company were a PFIC in 2020. Non-corporate US shareholders should consult their tax advisors regarding the availability of the preferential rate to dividends in their particular circumstances.

Dividends will be income from sources outside the United States. Dividends will, depending on each US shareholder’s circumstances, generally be either “passive” or “general” income for purposes of computing the foreign tax limitations purposes.

2.3 *Passive foreign investment company (“PFIC”) considerations*

The Company believes that it was a PFIC for the taxable year 2018 and has likely been a PFIC in each succeeding taxable year. The Company has not conducted an annual PFIC analysis at the end of each taxable year or notified its US shareholders regarding its PFIC status. If the Company is considered to be a PFIC at any time during a US shareholder’s holding period for the Shares, such US shareholder may be subject to certain adverse US federal income tax consequences with respect to distributions and dispositions, including as a result of the Tender Offer, related to the Shares.

In general, a non-United States corporation will be a PFIC for US federal income tax purposes for any taxable year if either:

- (a) 75 per cent. or more of its gross income for such year is “passive income”, which for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions and gains from assets that produce passive income (the Income Test); or
- (b) 50 per cent. or more of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income (the Asset Test).

If the Company were a PFIC for any taxable year during which a US Shareholder owned the Shares, such US Shareholder generally will be subject to special tax rules with respect to any “excess distribution” that it receives and any gain realised from a sale or other disposition (including a disposition in the Tender Offer) of such Shares, unless such US shareholder has made or makes a “mark-to-market” election as discussed below. A US shareholder that does not make a mark-to-market election will be referred to in this summary as a “Non-Electing US Shareholder.”

Under the PFIC rules distributions received in a taxable year that are greater than 125 per cent. of the average annual distributions received during the shorter of the three preceding taxable years or a US Shareholder’s holding period for the Shares will be treated as excess distributions. A Non-Electing US Shareholder will generally be taxed on excess distributions and gains on disposition of the Shares in the following manner:

- (c) the excess distribution or gain will be allocated rateably over the Non-Electing US Shareholder’s holding period for the Shares;
- (d) the amount allocated to the taxable year of disposition or excess distribution, and any taxable years in a Non-Electing US Shareholder’s holding period prior to the first taxable year in which the Company was a PFIC, will be treated as ordinary income; and
- (e) the amount allocated to each other taxable year will be subject to the highest tax rate on ordinary income in effect for individuals or corporations, as applicable, for each such year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to taxable years prior to the year of disposition or excess distribution cannot be offset by any net operating losses for such years, and gains (but not losses) realised on the sale of the Shares cannot be treated as capital gains, even if the Shares are held as capital assets.

If the Company were a PFIC for any taxable year during which a Non-Electing US Shareholder owns the Shares, the Company will continue to be treated as a PFIC with respect to such Non-Electing US Shareholder, regardless of whether the Company ceases to be a PFIC in one or more subsequent tax years. If the Company ceases to be a PFIC, a Non-Electing US Shareholder may terminate this deemed PFIC status with respect to the Shares by electing to recognise gain (which will be subject to the special tax rules discussed above), but not loss, as if such Shares were sold on the last day of the last taxable year for which the Company was a PFIC.

To the extent the Company is a PFIC and has any subsidiaries or other entities in which it holds equity interests, and any such entity is also a PFIC (a lower-tier PFIC), a US Shareholder will generally be deemed to own its proportionate share in such lower-tier PFIC, and such US Shareholder generally will be subject to the adverse tax consequences described above with respect to the shares of any such lower-tier PFIC that the US Shareholder would be deemed to own. As a result, if the Company is a PFIC and receives a distribution from any lower-tier PFIC or any shares in a lower-tier PFIC are disposed of (or deemed disposed of), a US Shareholder generally will be subject to tax under the PFIC rules described above in the same manner as if the US Shareholder had held its proportionate share of the lower-tier PFIC stock directly even though such US Shareholder has not received the proceeds of the distribution or disposition directly. US Shareholders should consult their tax advisors regarding the application of the PFIC rules to any lower-tier PFIC.

Mark-to-Market Election

A US Shareholder of “marketable stock” (as defined below) in a PFIC may avoid taxation under the default rules described above if the US Shareholder makes a valid mark-to-market election for such stock. If a US Shareholder makes a mark-to-market election for its Shares, such US Shareholder will include as ordinary income for each year that the Company is treated as a PFIC an amount equal to the excess, if any, of the fair market value of the Shares as of the close of such US shareholder’s taxable year over its adjusted basis in such Shares. The US shareholder would also include as an ordinary loss an amount equal to the excess, if any, of the adjusted tax basis of such Shares over the fair market value of the shares as of the close of such US shareholder’s taxable year, but only to the extent of the excess of amounts previously included in income over ordinary losses deducted as a result of the mark-to-mark election. An electing US Shareholder’s basis in the Shares will be adjusted to reflect any such income or loss amounts. Any gain from a sale, exchange or other disposition of the Shares in any taxable year in which the Company is a PFIC (i.e., any year in which the Company meets the Asset Test or Income Test described

above), would be treated as ordinary income and any loss from a sale, exchange or other disposition would be treated first as an ordinary loss to the extent of any net mark-to-market gains previously included in income and thereafter as a capital loss. If the Company ceases to be a PFIC in the year of the disposition, any gain or loss recognised by a US Shareholder on the sale, exchange or other disposition of the Shares would be classified as a capital gain or loss.

Once made, the election cannot be revoked without the consent of the IRS unless the Shares cease to be “marketable stock”. If the Company is a PFIC for any year in which the US Shareholder owns the Shares but before a mark-to-market election is made, the interest charge rules described above will apply to any mark-to-market gain recognised in the year the election is made. The tax rules described above that apply to distributions by corporations which are not PFICs would apply to distributions by the Company, except that the lower capital gains rate applicable to qualified dividend income (as defined in the Code) would not apply. A mark-to-market election will not apply to the Shares for any taxable year during which the Company is not a PFIC, but will remain in effect with respect to any subsequent taxable year in which the Company again becomes a PFIC.

The mark-to-market election is available to a US shareholder only for “marketable stock.” Generally, stock will be considered marketable stock if it is “regularly traded” on a “qualified exchange” within the meaning of applicable Treasury Regulations. A class of stock is “regularly traded” during any calendar year during which such class of stock is traded in more than de minimis amounts on a qualified exchange for 15 or more days during each calendar quarter. The Company expects that the Shares should be marketable stock because they are listed on the London Stock Exchange and likely have been regularly traded. Additionally, as a mark-to-market election cannot be made for equity interests in any lower-tier PFICs that the Company may own, a US shareholder may continue to be subject to the PFIC rules discussed above relating to taxation of Non-Electing US shareholders with respect to any indirect interest in any investments held by the Company (including stock in a subsidiary of the Company) that are treated as an equity interest in a PFIC for US federal income tax purposes. US Shareholders should consult their tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

PFIC Information Reporting

Holders of PFIC stock are also subject to additional information reporting rules. Generally, each US Shareholder of the Company, for any year in which the Company is a PFIC with respect to such US Shareholder, is required to file an IRS Form 8621. US Shareholders should consult their tax advisors regarding any reporting requirements that may apply to them.

The US federal income tax rules relating to PFICs are very complex. US shareholders are urged to consult their own tax advisors with respect to the purchase, ownership and disposition of Shares, the consequences to them of an investment in a PFIC, any elections available with respect to shares in a PFIC and the IRS information reporting obligations with respect to the purchase, ownership and disposition of the Shares in the event the Company is a PFIC.

2.4 The Company may be treated as a controlled foreign corporation (“CFC”)

As a result of the Tender Offer, the ownership percentage of certain Shareholders may increase or decrease. If after the Tender Offer:

- (f) a US Shareholder owns (directly, indirectly or by attribution) over 10 per cent. of the voting power of the Company after the Tender Offer; and
- (g) US Shareholders collectively own more than 50 per cent. of the Company’s voting power or value,

then the Company may be treated as a CFC for United States federal income tax purposes. Shareholders should consult with their tax advisors regarding the risk that the Company is or could be a CFC and the potential consequences of it being a CFC.

2.5 Medicare Tax

A non-corporate US Shareholder will be subject to a 3.8 percent tax on the lesser of (1) the US Shareholder’s “net investment income” for the relevant taxable year and (2) the excess of the US Shareholder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be \$125,000, \$200,000 or \$250,000 depending on the individual’s circumstances). A US Shareholder’s net investment income will generally include its dividend income and its net gains from the disposition of shares, unless such dividend income or net gains are derived in the

ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities).

2.6 Information with Respect to Foreign Financial Assets

Owners of “specified foreign financial assets” with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” generally include financial accounts maintained by non-US financial institutions as well as stock issued by a non-US corporation that is not held in an account maintained by a financial institution.

2.7 Information reporting and backup withholding

Information returns may be filed with the US Internal Revenue Service (the “IRS”) in connection with Tender Offer proceeds unless a US Shareholder establishes that it is exempt under the information reporting rules. A US Shareholder that does not establish this may be subject to backup withholding on these payments if the US Shareholder fails to provide its taxpayer identification number or otherwise comply with the relevant certification forms or procedures. The amount of any backup withholding from a payment to a US Shareholder will be allowed as a credit against its US federal income tax liability and may entitle the US Shareholder to a refund, provided that the required information is timely furnished to the IRS. Certain US Shareholders (including, among others, corporations) are not subject to backup withholding. US Shareholders should consult their advisers regarding any additional tax reporting or filing requirements they may have as a result of participating in the Tender Offer. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

3. SPAIN

The following comments do not constitute tax advice and are intended only as a guide to current Spanish tax law and Spanish tax authorities’ published practice (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the Spanish tax treatment of individual Shareholders who are resident in Spain for Spanish tax purposes, who are, and will be, the beneficial owners of their Shares and who hold, and will hold, their Shares as investments (and not as assets to be realised in the course of a trade, profession or vocation). They may not relate to certain Shareholders, such as dealers in securities or Shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment.

In addition, the present description does not take into account Spanish regional tax regimes in force in the Basque Country and Navarra.

The applicable rules are found in Law 35/2006, dated 28 November 2006, of the Personal Income Tax and its implementing regulations, approved by Royal Decree 439/2007, dated 30 March 2007. All of the above is understood to be without prejudice to changes which may be made in the future to the applicable law.

Shareholders are advised to take independent advice in relation to the tax implications for them of selling Shares pursuant to the Tender Offer.

3.1 Taxation of chargeable gains

The sale of Shares by a Shareholder to Canaccord pursuant to the Non-US Tender Offer should be treated as a disposal of those shares giving rise to a capital gain (or loss) for Spanish tax purposes. This may give rise to a chargeable gain (or allowable loss) for the purposes of Personal Income Tax (“*ganancias o pérdidas patrimoniales*”).

Such capital gain (or loss) shall be computed into the “savings income taxable base” (“*base imponible del ahorro*”) as long as it derives from the transfer of assets.

When the capital gain (or loss) arises from the transfer for a consideration of securities listed on any of the regulated securities markets defined in Directive 2004/39/EC of 21 April 2004 of the European Parliament and the Council, representing the equity of companies or entities (such as the Shares), the gain or loss shall be calculated as the difference between the acquisition value (tax basis) and the transfer value, determined by the quotation on these markets on the date on which the transfer takes place or by the price agreed by the parties if higher than the quoted price less any costs incurred in the transfer of the shares (e.g. brokerage fees).

In order to determine the tax basis, each shareholder must calculate the acquisition value taking into account any costs incurred in the acquisition of the shares (e.g. brokerage fees) but not including management, custody or advisory fees.

For part disposals of shares owned by any Shareholder please note that the Spanish Personal Income Tax Law provides for a FIFO (first in – first out) system in order to compute the capital gain applicable to the shares sold.

Capital gains and losses derived from the transfer of assets classified as savings income may only be offset against income of the same basket. If there is a net loss, it may be used to offset other savings income (i.e. “*rendimientos del capital mobiliario*” as dividends, interest and income obtained on the transfer of non-equity financial assets such as bonds and other debt securities) up to a limit of 25 per cent.) of such savings income (“*rendimientos del capital mobiliario*”). If the latter offset results in a loss, it may be carried forward for 4 years in order to offset it against future net capital gains (or even other savings income under the same limits). Carry-back of losses is not allowed.

It is relevant to note that losses from the transfer of quoted shares on a qualifying EU stock exchange shall be deferred and not offset if the taxpayer acquired similar shares or participations in a period of 2 months before or after the transfer. The deductibility, through its inclusion in the taxable base, is deferred in proportion to the number of shares still held by the taxpayer.

In the case of capital gains subject to taxation, the applicable tax rate to the net income corresponding to the savings income taxable base shall be

3.1.1 19 per cent. for the first €6,000;

3.1.2 21 per cent. between €6,000.01 and €50,000;

3.1.3 23 per cent. between €50,000 and €200,000 (inclusive); and

3.1.4 26 per cent for amounts exceeding €200,000.

The effective tax rate shall depend on the particular circumstances at hand for each individual, such as personal reliefs, deductions, family allowances or other tax credits applicable in each case.

Capital gains arising from the transfer of shares are not subject to withholding tax.

As a general rule, all individuals resident in Spain must file a tax return with respect to their taxable income and simultaneously pay the tax. The Minister of Finance may allow payment by instalments such that the taxpayer pays 60 per cent. of the tax due when he submits the tax return (from April to June both of the following year to which the return refers to) and the remaining 40 per cent. later (usually in November that year) without late payment interest.

The tax return must be filed in the prescribed manner (that is, electronically) by the due date (usually 30 June) and on the forms that are defined and published every year.

Special regime for impatriates

Finally, natural persons who become resident in Spain as a result of a contract of employment or as administrator of a company in which the taxpayer has less than a 25 per cent. equity interest may have opted between the Personal Income Tax and the Non-Resident Income Tax for the tax period in which the change of residence occurs and for the five years following so long as they comply with the requirements contained in Article 93 of the Personal Income Tax Law. Under the special regime, if the individual has opted for the application of the Non-Resident Income Tax rules, the capital gain obtained on the transfer of the Shares would not be subject to Spanish taxation.

3.2 Disclosure obligations for foreign assets

Royal Decree 1558/2012 of 15 November 2012 implemented an obligation to disclose assets and rights located abroad over which the taxpayer has the power of disposal.

Taxpayers are obliged to disclose information about their investments abroad in relation to particular types of assets on a yearly basis. This obligation includes, among others, securities or rights representing the capital stock, equity or assets of foreign entities which are held or located abroad.

Taxpayers must record the above information in Form 720. This form must be filed with the Spanish tax authorities in the period between 1 January and 31 March of the year following the tax year subject to the information. Late or incomplete filing may be subject to administrative penalties.

In general terms, this return does not need to be filed when the aggregate value of a particular type of asset, as classified in the Royal Decree 1558/2012, does not exceed €50,000 on 31 December of a given year. If the taxpayer has already been obliged to file this form in previous years disclosing against the Shares, the transfer of the Shares pursuant to the Tender Offer would need to be informed to the Spanish tax authorities by filing a subsequent Form 720 corresponding to the year when the transfer takes place. In any case, the particular circumstances at hand should be confirmed on a case by case basis in order to completely ascertain the information to be disclosed in this Form 720 on the relevant year.

3.3 Stamp duty and transfer tax

The sale of Shares pursuant to the Tender Offer will not give rise to any liability to stamp duty ("*Actos Jurídicos Documentados*") or transfer tax ("*Transmisiones Patrimoniales Onerosas*") for the selling Shareholder.

PART VI

ADDITIONAL INFORMATION

1. DIRECTORS AND REGISTERED OFFICE

The names and principal functions of the Directors are as follows:

Name	Position
Eamonn Francis O'Hare	Chairman and Chief Executive Officer
Robert Walter Samuelson	Chief Operating Officer
Ashley Graham Martin	Non-Executive Director
Kjersti Wiklund	Non-Executive Director
Richard James Williams	Non-Executive Director
Suzi Williams	Non-Executive Director

The Company was incorporated and registered in England and Wales as a limited company with company number 09395163 on 19 January 2015 under the Companies Act 2006 under the name of Zegona Communications Limited. On 26 February 2015, the Company re-registered as a public company limited by shares under the name of Zegona Communications plc. The Company's registered office is at 8 Sackville Street, London, W1S 3DG, United Kingdom.

2. DIRECTORS' INTERESTS

As at 12 August 2021 (being the latest practicable date prior to the publication of this Circular), the interests of the Directors in the issued share capital of the Company (all of whose interests are beneficial) which have been notified by each Director to the Company pursuant to the Disclosure Guidance and Transparency Rules were as follows:

Shareholder	Number of Shares	% of issued share capital
Eamonn Francis O'Hare	2,032,185	0.93
Robert Walter Samuelson	657,902	0.30
Ashley Graham Martin	10,479	0.00
Richard James Williams	62,570	0.03
Other senior management	400,175	0.18

3. IRREVOCABLE UNDERTAKINGS RELATING TO THE TENDER OFFER

The Company expects to receive Irrevocable Undertakings from all members of Zegona Management to tender their Basic Tender Offer Entitlement of Shares under the Tender Offer, details of which are below.

Shareholder	Number of Shares held	Number of Shares to be tendered
Eamonn O'Hare	2,032,185	1,990,997
Robert Samuelson	657,902	644,567
Ashley Martin	10,479	10,266
Richard Williams	62,570	61,301
Howard Kalika	330,891	324,184
Dean Checkley	4,216	4,130
Menno Kremer	65,068	63,749

The Directors and other members of senior management who hold Shares (listed in the table at paragraph 2 above) intend to tender their respective Basic Tender Offer Entitlements under the Tender Offer (representing 3,099,194 Shares in aggregate at the Tender Price of £1.535 per Share) and to grant irrevocable undertakings to that effect following the publication of the Company's interim financial statements when the Company is no longer in a close period, expected to be on or before 30 September 2021.

As consideration for such undertakings, the Company has undertaken to procure that a further tender offer is made to Shareholders as soon as reasonably practicable if the Company exercises its rights to terminate the Tender Offer.

4. MATERIAL CONTRACTS

4.1 Put and Call Option Agreement

On 13 August 2021, the Company entered into the Put and Call Option Agreement with Canaccord. Pursuant to the terms of the Put and Call Option Agreement, and conditional on the Non-US Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms and to Canaccord being registered as the holder of the Shares purchased by Canaccord pursuant to the Non-US Tender Offer, the Company has granted a put option to Canaccord which, on exercise, obliges the Company to purchase from Canaccord at the Tender Price, all the Shares purchased by Canaccord pursuant to the Non-US Tender Offer. Also, under the Put and Call Option Agreement, Canaccord has granted the Company a call option which, on exercise, obliges Canaccord to sell to the Company, at the Tender Price, all the Shares purchased by Canaccord pursuant to the Non-US Tender Offer.

Under the Put and Call Option Agreement, the Company has the right to compel Canaccord at any time before the announcement of the results of the Tender Offer to terminate the Tender Offer if it concludes that:

- (a) the implementation of the Tender Offer and the related Repurchase is no longer in the best interests of the Company and the Shareholders as a whole;
- (b) the purchase of Shares by Canaccord and the subsequent Repurchase may have adverse fiscal consequences (whether by reason of any change in legislation, practice, circumstances or otherwise) for the Company or its Shareholders as a whole which were previously unexpected; or
- (c) an approach or offer (each having the same meaning as in the Takeover Code) has been or will be made for the Company.

4.2 Escrow Agreement

The Company intends to appoint HSBC Bank plc to act as the escrow agent in connection with the Tender Offer and subsequent repurchase of Shares pursuant to an escrow agreement to be entered into on or prior to 7 September 2021. Under the terms of the Escrow Agreement (which is in substantially final form), it is envisaged that the Company will pay the Escrow Amount into an escrow account held by the Escrow Agent. Funds may only be released from the escrow account upon receipt by the Escrow Agent of a joint payment instruction authorised by both the Company and Canaccord. The Escrow Agent will receive customary compensation for its services, will be reimbursed by the Company for reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection with the Tender Offer, including certain liabilities in connection with the Escrow Agreement.

5. INCENTIVE ARRANGEMENTS

5.1 Management incentive arrangements

Management have been issued shares in Zegona Limited pursuant to their employee arrangements with the Group. These shares give Management the right, subject to certain provisions, to receive upon exercise up to a maximum of 15 per cent. of the Growth in Value of the Company.

The Management incentive arrangements are subject to Shareholders achieving a Preferred Return. The rights may be exercised prior to the third anniversary of the last Exercise of the Management Incentive Shares under certain specific conditions, including a takeover or change of control of the Company.

As explained in the circular sent to Shareholders on 7 June 2021, the sale of the Group's holding in Euskaltel and the return of the net proceeds of that sale to Shareholders pursuant to the Tender Offer or otherwise will trigger the Management Incentive Scheme. The value of the proceeds of the Management Incentive Scheme owed to the Managers is expected to be approximately £25.4 million, as per the calculation set out in the Zegona Limited articles of association in the event of a takeover, which includes the scenario where all or substantially all of the business or assets of Zegona Limited have been sold and the net proceeds of the sale, after satisfying Zegona's creditors, are returned to Shareholders. The directors will calculate the value of the Management Incentive Scheme proceeds following completion of the Tender Offer and will engage the Company's auditors to do work to support them.

After an Exercise of Management Shares (such as the one which will follow completion of the Tender Offer or any other return of the net proceeds of the sale of the Group's holding in Euskaltel), the Management incentive mechanism will be renewed on a similar basis such that Management will continue to have rights to 15 per cent. of the future Growth in Value of the Company, subject to Shareholders achieving the Preferred Return. On renewal, Shareholders' Preferred Return will be calculated from a starting baseline of the market capitalisation of the Company on the last date the Management Shares were Exercised (provided this is not below the Net Shareholder Invested Capital).

Each time a new Calculation Period begins, the renewal of the Management Shares' rights is subject to a vote by Zegona's shareholders at the next Annual General Meeting ("AGM"). If shareholders representing 75 per cent. or more of the shares vote against the renewal at the AGM, the Management Shares will cease to have any rights and will be redeemed for no value. Management could receive value prior to the AGM vote if there is a takeover.

6. SIGNIFICANT CHANGE

Save as set out below, there has been no significant change in the financial or trading position of the Group since 31 December 2020, being the date to which the Company's last audited consolidated financial statements were prepared:

- 6.1** on 23 July 2021 the Company paid an interim dividend of 2.6p on the Shares to holders of Shares on the register on 2 July 2021; and
- 6.2** as Shareholders will be aware, the sale proceeds from MásMóvil's takeover bid for Euskaltel were received by Zegona on 11 August 2021.

7. WORKING CAPITAL

- 7.1** In order to pay the consideration to which Shareholders are entitled pursuant to valid tenders of Shares accepted by Canaccord (and which the Company will then be obliged to Repurchase from Canaccord) under the Non-US Tender Offer, or by the Company under the US Tender Offer, the Company will use a significant amount of its available cash and other liquid funds.
- 7.2** Notwithstanding paragraph 7.1 above, the Company is of the opinion that, on the assumption that the Tender Offer results in the full £329,306,778 being returned to Shareholders, the Company has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Circular.

8. TAKEOVER CODE

Under Rule 9 of the Takeover Code, any person or group of persons deemed to be acting in concert who acquires 30 per cent. or more of the voting shares of a company to which the Takeover Code applies is normally required by the Panel to make a general offer to shareholders of that company to acquire their shares. Rule 9 of the Takeover Code also provides that any person or group of persons deemed to be acting in concert who own between 30 per cent. and 50 per cent. of the voting shares of a company to which the Takeover Code applies will be unable, without the Panel's consent, to acquire, either individually or together, any further voting rights in the company without being required to make a general offer to shareholders of that company to acquire their shares.

Under Rule 37.1 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by shareholdings of the Directors and persons acting in concert with them is treated as an acquisition for the purpose of Rule 9. A shareholder not acting in concert with the Directors will not normally incur an obligation to make a general offer under Rule 9, if, as a result of the purchase of its own shares by a company, he comes to exceed the percentage limits set out in Rule 9. However, this exception will not apply when a shareholder not acting in concert with the Directors has purchased shares at a time when he had reason to believe that such a purchase of its own shares by the company would take place.

A Shareholder of the Company not acting in concert with the Directors may, therefore, incur an obligation under Rule 9 to make a general offer to Shareholders to acquire their Shares if, as a result of the purchase by the Company of its own Shares from other Shareholders, he comes to hold or acquire 30 per cent. or more of the Shares in issue following the Tender Offer and he has purchased Shares after 29 July 2021, being the date when he had reason to believe that the Company would purchase its own Shares under the Tender Offer.

Under the Non-US Tender Offer, Canaccord will purchase, as principal and not as agent, nominee or trustee, voting shares in the Company which could result in Canaccord coming to have an interest in such Shares carrying 30 per cent. or more of the voting rights of the Company. Canaccord has indicated its intention that, promptly following such purchase, it will sell all those Shares, acquired pursuant to the Non-US Tender Offer, to the Company for cancellation, and the Company has agreed to buy all such Shares, in both cases on the terms of the Put and Call Option Agreement. Accordingly, a waiver has been obtained from the Panel in respect of the application of Rule 9 of the Takeover Code to the purchase by Canaccord of the Shares under the Non-US Tender Offer.

9. LEGAL PROCEEDINGS

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) relating to the Company or the Tender Offer.

10. CONSENT

Canaccord has given, and not withdrawn, its consent to the inclusion in this Circular of the references to its name in the form and context in which they are included.

PART VII

NOTICE OF GENERAL MEETING

ZEGONA COMMUNICATIONS PLC

Incorporated and registered in England and Wales under number 09395163 (the "Company")

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL on 6 September 2021 at 11.00 a.m. You will be asked to consider and, if thought fit, to pass the following resolution, which will be proposed as a special resolution:

Special Resolution:

THAT, the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006, as amended (the "**Act**"), to make one or more market purchases (as defined by section 693(4) of the Act) of ordinary shares of £0.01 each in the capital of the Company ("**Shares**"), in connection with the Tender Offer as described in the Circular to the Company's Shareholders dated 13 August 2021 (a copy of which is produced to the meeting and signed for identification purposes by the chairman of the meeting) provided that:

- (a) the maximum aggregate number of Shares that may be purchased under this authority is 214,532,103;
- (b) the Shares will be purchased at a price of £1.535 per Share; and
- (c) the authority conferred by this resolution shall expire at the close of business on 6 September 2022.

BY ORDER OF THE BOARD

Date: 13 August 2021

Company Secretary: Crestbridge Corporate Services Limited

Company Secretary's Registered Office: 47 Esplanade, St Helier, Jersey, JE1 0BD

EXPLANATORY NOTES

COVID-19 arrangements

1. Given the ongoing concerns about transmission of Covid-19, the Board has decided to put in place contingency arrangements that mean the General Meeting will follow the format used for previous meetings which took place during lockdown. Only the formal business (consisting of voting on the Resolution proposed in the Notice of General Meeting) to meet the minimum legal requirements will be conducted and the General Meeting will proceed as set out below:
 - (c) the General Meeting will be at 10 Snow Hill, London, EC1A 2AL or, if those offices are closed, immediately outside those offices;
 - (d) the Chairman of the Board and another member of the executive management team (or a proxy representing such person) who holds shares in the Company will attend the General Meeting to ensure that the General Meeting is quorate;
 - (e) no other Directors will be present in person;
 - (f) there will be no presentation at the General Meeting;
 - (g) as would normally be the case, the votes on the resolution to be proposed at the General Meeting will be conducted on a show of hands and the chairman of the meeting will vote on a show of hands in accordance with the proxies held; and
 - (h) the results of the proxy votes will be published immediately following the conclusion of the General Meeting by way of a stock exchange announcement and on the Company's website.
2. The Board considers that proceeding with a "technical" General Meeting is in the best interests not only of the Company, but also of each of its individual shareholders. By allowing the voting to proceed in accordance with instructions received by proxy, we can ensure we can comply with our legal requirements, while ensuring that no one will have to travel unnecessarily to attend the General Meeting.
3. The Company will continue to monitor the situation over the coming weeks and, if any changes to these arrangements are deemed necessary, will notify Shareholders of any changes to the proposed format for the General Meeting via its website as soon as possible.
4. Shareholders will be able to speak at and listen to the General Meeting via an audio dial-in facility. Details will be made available on the Company's website (<http://www.zegona.com>).

Right to attend and speak

5. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 and paragraph 18(c) of the Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members at 6:00 p.m. on 2 September 2021 shall be entitled to attend and speak at the General Meeting (or if the General Meeting is adjourned, those members registered on the register of members of the Company not later than 48 hours before the time fixed for the adjourned meeting). In calculating the period of 48 hours mentioned above, no account shall be taken of any part of a day that is not a working day.
6. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Rights to appoint a proxy

7. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company.
8. A green Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be

charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

9. Alternatively, you may submit your proxy electronically using the share portal service at www.signalshares.com. If not already registered for the share portal, you will need your investor code which is located on your share certificate.

Procedure for appointing a proxy

10. To be valid, the Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand to Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 11.00 a.m. on 2 September 2021. It should be accompanied by the power of attorney or other authority (if any) under which it is signed or a copy certified by a notary of such power or authority.
11. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in Note 11 below) will not prevent a Shareholder attending the General Meeting and voting in person if he/she wishes to do so.

Changing or revoking proxy instructions

12. To change your proxy instructions, simply submit a new proxy appointment. Any amended proxy appointment must be received no later than the time referred to in Note 3 above.
13. If you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
14. If you submit more than one valid proxy appointment in respect of the same share for the purposes of the same meeting, the appointment last validly delivered shall prevail in conferring authority on the person named in it to attend the General Meeting and speak and vote. If the Company is unable to determine which instrument was last validly delivered, none of them shall be treated as valid in respect of that share.
15. In order to revoke a proxy instruction you will need to inform the Company by sending notice in writing clearly stating your intention to revoke your proxy appointment to the address referred to in Note 3 (accompanied by the power of attorney or other authority (if any) under which the revocation notice is signed or a copy certified by a notary of such power or authority). The revocation notice must be received no later than 11.00 a.m. on 2 September 2021.
16. If you attempt to revoke your proxy appointment but the revocation is received after the time specified above then your proxy appointment will remain valid.

CREST proxy appointments

17. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
18. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA10) by 11.00 a.m. on 2 September 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host)

from which the issuer's agent is able to retrieve the message by enquiry to Euroclear in the manner prescribed by Euroclear. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

19. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at www.euroclear.com/CREST.
20. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

Corporate representatives

21. Any corporation which is a Shareholder can, by resolution of its directors or other governing body, appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder. The corporate representative may be required to produce a certified copy of the resolution so authorising him or such other evidence of his authority before he is permitted to exercise his powers.

Nominated persons

22. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy entitled to attend and speak and vote at the General Meeting. Nominated Persons are advised to contact the Shareholder who nominated them for further information on this and the procedure for appointing any such proxy.
23. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. Such Nominated Persons are advised to contact the Shareholders who nominated them for further information on this.

Record Date

24. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the register of members of the Company at close of business on 2 September 2021. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned General Meeting is 48 hours before the time fixed for the adjourned General Meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

Total voting rights

25. As at 12 August 2021 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 218,970,076 Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 12 August 2021 was 218,970,076. As at 12 August 2021, the Company held no Shares in treasury.

Publication on website

26. A copy of this notice, and other information required by section 311A of the Act, can be found on the Investors section of the Company's website at <http://www.zegona.com/investor-relations/regulatory-news.aspx>.

Communications

27. Except as provided above, members who have general enquiries about the General Meeting should telephone Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

